

# INDIA

## *What Now?*

A STUDY OF THE  
REALITIES OF INDIAN  
PROBLEMS

*by*

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*To*  
ALL THOSE  
ON WHOSE MORAL ATTITUDE  
TOWARDS INDIA THE TRUE SOLUTION  
OF HER PROBLEMS LIES, THIS  
BOOK IS DEDICATED

## PREFACE

The query which was chosen as the title of the book occurs in a story of a king named Bhartihari. "What," he asks, "if all your desires are fulfilled; what if you are able to subdue your enemies, or by your good fortune have gathered allies around you; what, even if you have succeeded in keeping mortal bodies alive for ages—what then?" The king thus emphasises the truth that "Man is greater than all these objects of his desire."

To me, my country is greater than all the political controversies and bargainings. To-day there confronts us an abyss of poverty so deep and dangerous, an ever-widening disharmony between the congeries of races and classes so fatal, and a bankruptcy of ideas in regard to the revaluation of our national life so conspicuous, that our primary task must be to embark upon a period of deliberate adjustments of our social and economic life. The organic elements that supply the compelling forces of integration and cohesion have to be assembled prior to the construction of a stable national polity. The dispute over political terms is non-essential. What really matters is to arrest the corrosive influence permeating the entire structure of our socio-economic life, and to let constitutional development evolve along such lines as would ensure healthy politics. "The fate of all reform in India, no matter what kind of constitution is now set up, will be decided, not in the political field," writes Sir Frederick Whyte,<sup>1</sup> "but by the reaction of

<sup>1</sup> *Future of East and West*, by Sir Frederick Whyte, the first President of the Legislative Assembly, India.

Hinduism to the religion and science of the West" Ever since the beginning of reforms, we have been splitting hairs over political shibboleths, our demand is to build a twentieth-century constitution on a mediaeval social structure, and our organised privileged classes, in their anxiety to strike a bargain with the Government, not only confuse the issue with emotional interpretation, but ignore the realities of the situation supplied by an unbiased picture of the Indian masses

Bearing in mind these realities and the circumstances of the economic world, driven to-day almost to desperation by the vagaries of politics, one may indeed ask, What, if all the wishes of the propertied classes in India are conceded, what, if they are able to seize the supreme control over the machinery of the State, what, even if they succeed in gaining what is known as "Dominion Status"—what then?

In the following pages I have tried to depict the life and labour of the bulk of the Indian population, the last chapter of which is devoted to an attempt to understand the constitutional proposals from the point of view of the inarticulate masses. The book is not a treatise on Indian economics, but the problems relating thereto have been briefly discussed in order to furnish a background so necessary for grasping the stupendous difficulties that confront the future government of the country. A chapter is devoted to the position of the Depressed Classes.

For over six years the Government has been considering schemes for a new constitution for India. The reports of the various commissions, committees, sub-committees,

## *Preface*

and conferences have filled our bookshelves; declarations, debates, and letters to the Press continue to pour in from all sources. And yet many friends of India view with misgiving the advisability of introducing an untried and expensive constitutional experiment at this stage of her development. Has the time come for dividing India into a series of undeveloped federating units? Will they not add to the increasing complexities such as arise from a nascent democracy? If we go on stressing Provincial Autonomy and fail to stress coördination under a strong central Government, shall we not inevitably produce a state of affairs which may lead to chaos and confusion in that vast sub-continent already cursed with the communal dissension? Above all, in the constitutional proposals, does the good of the masses prevail over the interests of a privileged few?

No honest student of Indian affairs will deny that the needs of the great masses of the Indian peoples are economic and social rather than political. It is with that conviction this book is written, and I trust it will be a useful addition to the flowing tide of publications for the guidance of the British public in Indian affairs.

N. GANGULEE

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# INDIA: WHAT NOW?

## CHAPTER I

### A SURVEY OF INDIA'S ECONOMIC PROBLEMS

#### *i. Introductory*

There has been a common grievance among the educated section of the people of India that the matters concerning that vast sub-continent do not evoke much attention, from either Parliament or the British public. This charge of indifference, or even apathy, has not been without foundation in the past. There were occasions when Indian debates had to be carried on before almost empty seats in Parliament. To the Press and the platforms of this country, Indian questions were of minor importance. Only in Christian missionary meetings could one occasionally hear about India.

But to-day the situation has changed, and changed for the good of both India and England. It is no longer necessary for the present Secretary of State for India to make an appeal, as Sir Henry Fowler once had to make, that every member of Parliament should consider himself a member for India. Everywhere in this country a keen interest is shown in Indian affairs. The British electorates are eager to know and understand our problems, and that is why the first volume of the Indian Statutory Commission's Report has had a record sale. Ever since

the publication of the report the Press and platform of Great Britain have been discussing the political issues involved in the recommendations of the Commission, and the interest has been kept alive by a number of Round Table Conferences and various auxiliary committees. Whatever may be the final outcome of these deliberations, one thing is certain the peoples of Great Britain will not forget India, and the realisation that their interests must be reconciled with those of India will help them to revise their conceptions of Indo-British relationship. If in the past that relationship lacked understanding and grace, and tended to be disfigured by Imperialistic ambitions on the one hand, and the growth of aggressive nationalism on the other, if in the heat of our political controversies there grew among us a feeling of deep resentment, and if in the sphere of economic interest things appeared almost insoluble—if this be so, then to-day, in this changing world, it is a supreme moral obligation of all concerned to avert the risk of a catastrophe that would be the inevitable outcome of a strained feeling between India and England.

In the political vocabulary in India there exist two words—Tories and Toadies. The Tories are considered to represent a party in England who have no sympathy with India's aspirations and desire to retain a strong hold on India as a British possession. And yet it was Disraeli's famous pronouncement in 1872 that contained the germ of political idealism inspiring his party. He said

"I cannot conceive how our distant colonies can have their affairs administered, except by self-government . . . In my opinion, no minister in this country will do his

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duty who neglects any opportunity of reconstructing, as much as possible, our colonial Empire, and of responding to those distant sympathies which may become the source of incalculable strength and happiness to this land."

But it is as well to remember that India has not been governed till the post-War period by any well-formulated political philosophy, but by the political character of the Britisher. The interesting feature of the British administration in India is that, while the early administrators have repudiated all intention of introducing self-government in the country, they themselves have founded institutions and have encouraged the educated classes in progressive thought which have to-day made the goal of self-government inevitable. Lord Morley told the House of Lords in introducing his measures of concessions to political agitation that he was not aiming at a parliamentary system of government for India. India's comradeship in the trenches of the Great War, however, altered the situation and Parliament recognised the need for a goal and a policy in the administration of India. To-day there exists a maximum amount of unity in the Conservative Party on the question of introducing a form of self-government in India.

As regards the epithet "Toadies," it is applicable to those who coöperate with the Government in pursuance of their administrative policies. A fair-minded Indian politician should admit that it was through the coöperation of the so-called "Toadies" with an alien Government that India has been able to achieve what she has during the last fifty years. Our educational, political, commercial, and industrial institutions, however inadequate and

deficient they may be, bear the mark of this cooperation. The ideals for which the Indian reformers worked were, to quote Sir Surendranath Banerjee, "the natural and normal development of the efforts of the great men of the past, under the new conditions created by the closer touch of our best minds with the political thought and activities of the West".<sup>1</sup>

Whatever may be the prevailing temper of the political parties in India and Great Britain, if they are concerned with the welfare of India, it is of the utmost importance to break through their pride and prejudices and to form their judgment based on proper appreciation of the circumstances that have precipitated a crisis in the modern world. No nation is really independent, even the votaries of economic nationalism know that a policy that may lead to separation of nations from each other is disastrous. The interdependence of India and England is not merely a phase of political development. The relationship is, and must continue to be, based upon sound economic foundations, and therefore the essential problem as the writer sees it is to avoid such disrupting forces as may be likely to undermine the strength of the economic structure, rendering the process of adjustment difficult. "*Le vrai problème à résoudre n'est pas en réalité le problème politique, c'est le problème économique*" ("The real problem to solve is not in truth the political problem, the real problem is the economic problem")—writes Proudhon in his well-known book, *The Principles of Federation*.

Proposals for Indian constitutional reform interest the writer so far as they are concerned with our economic

<sup>1</sup> *A Nation in Making*, by Sir Surendranath Banerjee

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problems. We shall, therefore, take a brief survey of Indian economic problems.

## *2. Survey of Raw Materials*

The statesman and the satirist make good use of the aphorism that India is purely an agricultural country with vast potential resources. The statesman uses it as a source of inspiration for confidence and hope during unexpected moments of crisis that India may be safely depended upon for food supply, while the satirist uses it to deal a blow that, after all that can be said and done, India is able to supply only raw produce.

India is one of the biggest cotton-producing countries of the world. Since the beginning of this century the area under cotton has considerably increased as a result of the growing demand for cotton piece-goods for both internal and external markets. The total area under cotton is over 27 million acres. The average production is over 6 million bales (one bale weighing 400 lb.); the internal consumption is over two and a quarter million bales, and the bulk of the surplus is exported to Japan. As the cotton growing in India is largely short-staple, the United Kingdom takes only about 7 per cent of our exports of raw cotton.

Indian cotton fibres are mostly less than an inch in length and 0.00085 in diameter, the staple of Sea Island cotton has an average length of about 1.6 inches and a diameter of 0.00065 inch, that of American cotton varies from 1 inch to 1.5 inches in length and has a

diameter of about 0.00075 inch, and Egyptian cotton has a staple of about the same length and fineness as the Sea Island cotton<sup>1</sup>

Jute is at present a monopoly of India. It is mostly grown in the Delta of the Ganges and the Brahmaputra, where the conditions for its cultivation and production are favourable. The total average area under jute is about 3 million acres, producing annually about 8 million bales (each bale weighing 400 lb.)

India is the largest producer of oilseeds in the world. The total area under oilseed cultivation is about 22 million acres, producing nearly 5 million tons of crop. Exports of the principal oilseeds average some 19 per cent of the total production. In 1931-32, India exported 988,000 tons of oilseeds.

Our sugar-cane fields cover an area of about 2,800,000 acres, but the production is inadequate to supply the demand, which is met by importing sugar from Java and other countries. The yield per acre is much smaller than in any other large sugar-producing country. It is estimated that while the potential demand for white sugar is over a million tons, the total refined sugar produced in India is only about 150,000 tons.

The total area of forests in India is estimated to be nearly 250,000 square miles, of which, roughly, 100,000 square miles are reserved. It is estimated that the combined annual output of timber and fuel is nearly 350 million cubic feet. Resin, turpentine, wood-pulp, and an extensive variety of tanning materials are some of the

<sup>1</sup> From J. M. Matthews on Textiles in A. Roger's *Industrial Chemistry*, p. 854.

forest products the industrial uses of which require further research and experiment.

Then there are other raw materials such as hides and skins, wool and bones, etc., which are available in India in large quantities. The total production of hides and skins is about 140,000 tons, and of wool about 60 million lb. a year. The average yield of wool per fleece is 2 lb., against 7.5 lb. in Australia.

From this brief survey of India's position as a source of raw materials we are able to realise the great opportunities India has in developing her industries. For accelerating the industrialisation of the country the whole-hearted coöperation of the commercial, industrial, and agricultural interests is needed. The time has indeed come for striking out boldly a line of action if we expect any real progress; but will this be possible under the circumstances that may arise from the radical changes contemplated in the proposals for new constitution in India?

### *3. India's Export Trade*

It is common knowledge that India can neither meet her foreign obligations nor import such articles which she still needs, unless she can find a market for her primary products. In order to meet fixed money obligations, such as land revenue to the Government, or rent to the landlords, canal dues for irrigation facilities, cesses, interest on debts to the money-lenders, the cultivator must sell his "money-crops."<sup>1</sup> In addition, he has to purchase certain absolute necessities, such as cloth, kerosene, and

<sup>1</sup> Cotton, jute, oilseeds.

salt. Should the sale of his "money-crops" be affected either by the fall of prices or by growing competition from the world market, the cultivator finds himself in a serious plight.

What is, then, the position of India's export trade? India's position in the world grain market is not satisfactory. Take the case of wheat. In the five years before the War about 14 per cent of the average crop was exported, in the five years after the War the figure is reduced to about 3 per cent. In 1929-30 the percentage of exports was still lower.

The marked decline in the importance of India as a wheat exporting country may be seen from the following figures.

TABLE I  
*Wheat Exports from India*

Average of Crop Years	Net Exports of Millions of Bushel	Percentage Share
1909-14	49.8	7.5
1924-29	8.3	1.1
1929-30	0.7	0.1

The phenomenal decrease in our share of the wheat trade in the international market is largely due to increasing internal demand. If the production is not increased we shall not only disappear from the world's grain market, but it would even be necessary for us to buy from Australia, as we did in 1921 and subsequent years.

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The present situation of India's export trade may be illustrated by another example. Linseed is one of our chief oilseeds, for which there has been a growing demand in the world market. In recent years, chiefly through the severe competition of Argentine linseed, Indian exports of linseed have shown a declining tendency. To-day,

TABLE 2  
*Production of Linseed*  
*(In thousand tons)*

Chief Linseed-Growing Countries	Average 1926-30	1929	1930
Argentine .. ..	1,752	1,250	1,757
Russia .. ..	600	719	—
United States ..	517	426	534
India .. ..	372	322	380
Canada .. ..	105	52	111

80 per cent of the linseed entering the international market comes from the Argentine.

What has been the result of this waning demand for Indian linseed on Indian agriculture? In 1922-23, India's production was about 533,000 tons, and last year the figure was only 257,000 tons,—far below the average of 1926-30, which was 372,000 tons. The area under linseed declined from 3.5 million acres in 1926 to 2.8 million in 1930.

Since the United Kingdom is a large buyer of linseed the Ottawa Agreement provides a 10 per cent preference

which is of considerable importance to Indian linseed production. But the Argentine not only has an advantage over India in freight rates, but her linseed production is being rapidly increased. She produces about one-half of the world's linseed. Then there is another member of the Empire family who is making headway in linseed production. In 1929, Canada produced about 52,000 tons, and in 1930, 111,000 tons. The Empire's share of the world production is only 13 per cent.

Although the area under jute is only 13 per cent, it contributes no less than 12 to 15 per cent of the export trade of the country. The export duty on jute is a profitable source of revenue to the Government of India. The chief importer of raw jute is Germany, which takes about 28 per cent of the world's total output. The United Kingdom absorbs 17 per cent, France, 14 per cent, and the United States only 9 per cent. In recent years there has been a rapid decline in the exports of jute and jute products.

	1928-29	1929-30	1930-31
Exports of raw jute (in bales of 400 lb.)	4,857,000	4,492,000	3,407,000
Export of manufactured goods (in tons)	912,000	945,000	716,000

#### 4 *Consequences of the Agricultural Depression*

It is argued that this is just a passing phase, arising out of the general agricultural depression, which has affected the producers of agricultural products all over the world. Distress among our cultivators is no new phenomenon,

and their suffering is greatly intensified by the almost chronic state of poverty that has resulted from these distresses in the past. The mass of the population in India have no reserves to fall back upon in times of distress. Sir George Schuster, our present Finance Member, says about the present position of the cultivator:

"The index number, based on 100 for 1914, for Indian exports, has fallen from an average level of 138 in 1928 to 78 in April 1932, while the general index figure of internal prices in India for imported commodities has only fallen from 145 to 124. There has thus, in the last three years, been a fall of about 49 per cent in the prices of exported goods, as compared with the fall of 13 per cent in the prices of imported goods. But the position of the poorest classes is really worse than these general figures indicate. It can be most clearly understood by taking typical commodities, which the ordinary agriculturist has to buy and sell. Thus, in April last, the index figures (based on 100 for 1914) were for cereals 66, raw jute 45, hides and skins 52, cotton 89. On the other hand, the figure for cotton piece-goods was 127, and for kerosene 161. . . . For the prices which he is now realising for his 'money-crops' are in many cases only about half the pre-War prices, while his fixed charges have probably in most cases increased, and the cost of his necessary purchases is much higher. The margin of cash which he can realise is thus totally inadequate to meet his needs. In these circumstances he is forced either to restrict his own consumption of the foodstuffs which he produces, or to part with any property which he may have (cash

savings, gold and silver articles, etc.) or get more deeply into debt".<sup>1</sup>

And yet Sir George Schuster found in the people of India "extraordinary power of resistance" to the present depression. It may be asked, how could India, as a debtor country, meet a heavy unfavourable balance of trade, and through what process was she able to maintain her exchange rate? But we must remember this—the process of drawing on India's capital resources cannot continue indefinitely. Sir Leslie Hudson, the leader of the European group, stated in the Legislative Assembly that "there seemed no doubt that a large percentage of the export of gold represented the forced selling of capital resources to provide necessities".<sup>2</sup> Vocal Indian opinion endorses the view expressed by Sir Alfred Watson in a recent speech in London, when he said

"Personally I regard it as a disservice to India, whatever may have been the advantage to other countries, that when, at long last, she has opened her hoards of gold they have drifted away to be buried elsewhere, instead of remaining as a basis of credit that would have given a fresh prosperity to that country".<sup>3</sup>

## 5 *India's Principal Industries*

With large supplies of raw materials, cheap and abundant labour, considerable sources of power from coal and from

<sup>1</sup> From the statement at a Meeting of the Committee on Monetary and Financial Questions on July 28, 1932

<sup>2</sup> *The Times*, March 3, 1933

<sup>3</sup> Sir Alfred Watson City Luncheon Royal Empire Society, January 3, 1933

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the streams of the country, and a vast population that offers a great market at the very doors of the factories, India has the conditions for great industrial achievements.

The industrial policy of the Government of India was conceived during the War. The War period shattered some of those economic notions which governed the policy of State assistance to industry. The Government of India realised that India should be prepared to face the new economic conditions of the post-War period. In November 1925, the Government of Lord Hardinge sent a Despatch to the Secretary of State for India pointing out the need for a deliberate policy of industrialisation of India. The Despatch stated the case as follows:

“It is becoming increasingly clear that a definite and self-conscious policy of improving the industrial capabilities of India will have to be pursued after the War, unless she is to become more and more a dumping ground for the manufacturers of foreign nations who will be competing the more keenly for the markets, the more it becomes apparent that the political future of the larger nations depends on their economic position. The attitude of the Indian public towards this important question is unanimous and cannot be left out of account. Manufacturers, politicians, and the literate public have for long been pressing their demands for a definite and accepted policy of State aid to Indian industries: and the demand is one which evokes the sympathy of all classes of Indians whose position or intelligence leads them to take any degree of interest in such matters.” The Despatch emphasised “the need for an industrial

policy which will enable technical education in India to produce its best results, and which will lighten the pressure of purely literary courses and reduce the excessive demand for employment in the services and callings to which these courses lead up After the War India will consider herself entitled to demand the utmost help which her Government can afford to enable her to take her place, so far as circumstances permit, as a manufacturing country "

The Despatch inspired the Government of India to appoint a Commission to examine the resources of India for developing her industries The Industrial Commission reported in 1918 The broad lines of the recommendations of the Industrial Commission were approved of by the Government of India, but not till 1921-22 were they able to give effect to them In the meantime, the full responsibility of industrial development by the State was transferred, under the reforms of 1919, to the provinces It was left to the Provincial Governments to take such initiative as would require for implementing recommendations of the Industrial Commission A Department of Industries came into existence in each province under the control of an Indian Minister

The results of such a policy have not been satisfactory The Provincial Governments, handicapped as they were with inadequate financial resources, were unable to give a direction to the new industrial policy The departmental activities inspired none, and no new industries were established In order to placate the Legislative Councils, the Minister-in-charge of the Department introduced, in some provinces, the State-aid-to-Industries Bill, but

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neither the necessary funds for the functioning of the Act nor the direction in regard to industrial research were provided for. In promoting industrial research there was no effective coördination among the provinces, and no attention was paid to the training of Indian youth for industrial and chemical services.

A brief account of some of the principal industries of India is given here.

## *(a) THE COTTON INDUSTRY*

The textile industry is the biggest manufacturing industry of India, credit for which must go to Indian capital and enterprise; but from the very beginning it had to start with initial handicaps from foreign competition, and from discriminating treatment accorded to Lancashire. The first cotton mill was started in the middle of the last century. In 1876, India had 29 mills with a million spindles and over 9,000 looms. The development was, however, rapid in the following decades, since the pioneers of this industry adopted the policy of producing more cloth than yarn. The facility of home-grown cotton and the supply of cheap labour encouraged them to guide the course of this premier industry through the menace of foreign competition and other adverse circumstances. The production of "grey and bleached" and "coloured" piece-goods has been doubled during the last twenty years. Yarn production in 1930-31 reached the figure of 867 million lb., and woven goods 590 million lb.

The present tendency of the mills in regard to the lower range of goods is to spin less and weave more for

the Indian and Near Eastern markets. Low counts<sup>1</sup> (from 1's to 20's) still form the chief items of production, and for two reasons. In the first place, India is the largest producer of short-staple cotton in the world, and secondly, cheap cloth suits the purchasing power of the masses. There has, however, been a great increase in the output of the medium range (from 21's to 40's counts) during the last twenty years. This development of medium range is considered to be an invasion on the Lancashire industry!

But the progress towards spinning higher counts was made possible by the supply of improved varieties of cotton in India, and from the increasing imports of African cotton, and by the installation of improved looms, plant, and machinery. The quantity of yarn above 40's counts exceeded 27 million lb in 1930-31, against 3 million lb in 1913-14.

At present there are about 339<sup>2</sup> cotton mills working over 9,25 million spindles and 182,000 looms. The capital invested in the industry exceeds £35 millions. Comparing the figures of production in 1913-14 with those in 1928-29, we find an increase of 62 per cent in cloth production, and consequently a decrease of 40 per cent in imports. The development of the industry is, in the main, due to the stimulus given to it by the imposition of protective import duties.

#### (b) THE JUTE INDUSTRY

The value of yarn produced from jute was discovered some time about 1828, and the first spinning machinery

<sup>1</sup> Count—the number of hanks in 1 lb

<sup>2</sup> Twenty four mills are now in course of erection

was imported to India about 1855. It is interesting to observe here that in the birth of this great industry in Bengal, in the middle of the last century, one of her sons had coöperated with an enterprising Englishman. George Ackland, an ex-naval officer of the East India Marine Service, and Babu Bishembhara Sen started the first Indian jute mill near Barrackpore (on the Hoogly). To-day there are 89 mills with well over 51,000 looms and a million spindles.

But jute spinning was not new to India. "This industry," wrote a Calcutta merchant named Henley, whom Dr. Forbes Royle quotes in his book, *Fibrous Plants of India* (published in 1855), "forms the grand domestic manufacture of all the populous eastern districts of Lower Bengal. It pervades all classes, and penetrates into every household."

By virtue of cheap labour supply and a monopoly in jute production, the jute industry made rapid progress and developed a large international trade. The total investment in jute companies is estimated at 18 *crores* of rupees (about 13.5 million sterling) exclusive of the reserve funds. Out of 89 jute mills there are some six that are entirely owned and managed by Indian companies. The jute industry is chiefly in the hands of British commercial enterprise.

The position of the jute industry was greatly strengthened by the War. Owing to the stoppage of, and restrictions imposed upon, exports, the internal prices fell considerably, while the demand for the manufactured goods, such as sandbags and gunny cloth, increased beyond expectations; and the wage-level lagged behind. The circumstances for

a 'bumper crop' of dividends arose, and the companies harvested enormous profits. The ratio of net profits to paid up capital of the jute mill was 58 per cent in 1915, 75 per cent in 1916, 49 per cent in 1917, and 73 per cent for the first half of 1918. Australia is a large importer of gunny bags made from jute cloth, as also are Java and Cuba, which use it for packing sugar. The United States and Argentine between them take 80 per cent of the total exports of gunny cloth.

#### (c) THE IRON AND STEEL INDUSTRY

Another important group of large-scale industries is the iron and steel industry. The first successful ironworks were established by the Bengal Iron and Steel Company in 1875 near the Raniganj coalfields, but owing to forceful competition its importance was negligible till after the War, when the company was reorganised with enlarged capital as the Bengal Iron Company. Subsequently, the company was amalgamated with the Tata Iron and Steel Company, founded in 1907, with the authorised capital of over Rs 2,31,00,000 (£1,730,000). The site chosen for the works has all the advantages of having the necessary raw materials near at hand, and of transport facilities.

The history and development of this company should be an example of what *can* be achieved by coordinated efforts of Indian industrialists and the Government. During the War, the company had a unique position both in the Indian market and in the supply of steel goods for war purposes. In 1922, the imposition of duties ranging from 10 per cent to 15 per cent on imported iron and

steel goods gave the industry a considerable protection. But with all these facilities, the tide of fortune turned so much against the company that in 1924 the industry preferred a claim to the Tariff Board (then set up to consider the claims of particular industries to protection) for an increased duty on all iron and steel imported. A bounty of Rs 20 per ton on 70 per cent of the total ingots manufactured every month was approved of by the Central Legislature for a period of one year. This was extended to 1933-34. Differential duties on British and non-British imported steel were imposed for the first time in 1927. Bolts, nuts, galvanised sheets, wire, and wire nails—on all these imported articles the Government introduced a duty at varying rates. But to what extent the higher duties have succeeded in placing the iron and steel industry upon a secured basis, and whether they have already caused hardships to the consumer—these are the questions which have to be considered before extending bounty to a longer period.

#### (d) THE MINING INDUSTRIES

India has a great store of minerals such as coal, manganese ore, mica, iron ore, etc., the proper utilisation of which is bound to place India in a prominent position in the metallurgical world.

Not till the completion of a survey in 1867 was the extent of India's coal resources known; and since the latter part of the last century coal-mining has made a satisfactory progress, despite the inferiority of Indian coal in comparison with English coal. The total production of coal in 1930 was, roughly, 24 million tons. The average

number of persons employed daily in the coal mines in 1930 was 185,000

Not more than 13 per cent of coal is used in India for domestic consumption. Its chief use is in railways and metal foundries. Coal exports from India have considerably decreased and the total imports are now less than half the quantity of pre-War days.

The future of the coal industry, I believe, depends largely on the utilisation of abundant second-class coal available within easy reach of the surface, and there exists a large potential market for the use of coal as a domestic fuel, the chief source of which is, at present, dried cow-dung. In a country where land does not usually receive much-needed manures, the burning of cow-dung is indeed a serious economic waste.

In the production of iron ore, India occupies a second place in the British Empire. The total output in 1930 was over 1,85 million tons as against 2,42 million tons in 1929. There was a fall in the output of pig-iron from 1,390,000 tons in 1929 to 1,175,000 tons in 1930. With the facilities she has, India can make the cheapest pig-iron, and undersells the world in that product. One of the reasons of the steel manufacturers of the Continent being able to compete so successfully in the India market is the supply of cheap Indian pig-iron.

India is one of the thirty-five countries in the world producing manganese. At the end of the last century, high-grade deposits were found in the Central Provinces, and since then the export trade in manganese ore has been an important feature of Indian trade. Just see how the export figures rose.

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In 1900, approximately .. ..	92,000 tons
The pre-War average in round figures ..	713,000 tons
In 1929 .. .. .. ..	965,000 tons

In recent years there has been a fall in the exports.

In 1927, the production of manganese in India rose to the amount of 1,129,000 tons. Russia is our chief competitor, but Indian manganese is superior to the Russian material for metallurgical use.

### *(e) THE PLANTATION INDUSTRIES*

The plantation industries consist chiefly of tea, coffee, and rubber, and are organised somewhat on the principles of the large-scale factory industries, with this difference—that the cultivation of crops remains under the control of the companies supervising the plantations. Tea occupies the premier place in the plantation industries of India.

Tea was known to Europe, but that was Chinese tea (*Théa*). The Dutch East India Company brought it to Europe in the middle of the seventeenth century. It is recorded that the English East India Company presented Chinese tea to King Charles in 1664 and in 1667 the company began to import tea, a pound of which was sold at a price ranging from £5 to £10.

In the eighteen-twenties, wild tea plants were discovered by Bruce, Scott, and Jenkins in Assam, and as the samples differed from those of the Chinese tea plants, a special committee examined them. It was found that the Assam tea belonged to a variety known as *Camellia*. The name is derived from Father Camelli, an Italian priest, who brought it to Europe in 1739.

In view of the expanding demand for Chinese tea in

England, Lord William Bentinck sent a special Commission to China in 1834 to obtain seed and Chinese labour, with the idea of exploring the possibilities of tea-cultivation in India. Plantations were started in Assam by the Government, not to domesticate the indigenous wild Assam tea plant, but to introduce the cultivation of Chinese tea.

But the native tea plant in Assam refused to be extirpated, and the planters' experiments with the Assam tea proved to be successful and the Indian leaf entered the market.

The first tea plantation was acquired by the Assam Tea Company Limited in 1840 from the Government, and by the middle of the last century a number of plantations came into existence—all through British enterprise and British capital. The cultivation and export of tea has expanded steadily since 1870.

The magnitude of the Indian tea industry may be realised by the position it has secured in the world trade within the course of about seventy years. The total production of tea from about 4,840 plantations, comprising about 800,000 acres under actual cultivation, was over 394 million lb in 1931, as against 91 million lb in 1885. Of the total production a great bulk is imported into the United Kingdom. For instance, tea export from India in 1930-31 to foreign countries amounted to 357 million lb but the share of Great Britain was over 300 million lb. Over 51 million lb of this tea is re-exported to America and the Continent.

No accurate figures for internal consumption are available, but it is estimated that India now consumes on an average over 60 million lb of tea per year. The

increase in tea drinking called forth a vehement protest from Gandhi, who described tea as a "pernicious drug." He said: "It has already undermined the digestive apparatus of hundreds and thousands of men and women, and constitutes an additional tax upon their slender purses." But the habit of tea drinking has come to stay in India.

The tea industry and trade are chiefly in the hands of Europeans. Of a total of 4,840 tea plantations only 521 belong to Indians, and these produce only about 55 million lb. of tea. The plantations are owned and managed by as many as 677 joint stock companies. The total capital employed in this industry is estimated at about 54 *crores* of rupees (£40.5 million). Of these companies, 191 are incorporated in England and elsewhere, the paid-up capital of which is estimated at about 32 million sterling. In 1928 and 1929 some of the companies were able to satisfy their shareholders with dividends as high as from 35 per cent to 41 per cent. Usually the dividends of the tea companies are about 15 per cent to 17 per cent.

The coffee plant was introduced into India in the sixteenth century, but its cultivation did not flourish until 1862. The plantation received a serious blow from the attack of borer-beetle and the spread of leaf blight, and many coffee plantations had to be abandoned. In recent years the plantations are being revived in Mysore and some parts of Southern India, and the coffee trade may expand by virtue of preferential treatment accorded to it by the Ottawa Agreements.

Rubber plantations flourished in the early years of this century, the entire output of which was exported. The

area under rubber in Burma and Southern India is 127,000 acres, and there is a great scope for the extension of its cultivation in Burma and in certain tracts in Southern India. The exports of rubber in 1926-27 amounted to about 23 million lb.

The other important plantation industry is cinchona. Cinchona is chiefly grown on Government plantations, but the demand for quinine in a country notorious for malaria is not met by the cinchona bark produced in these plantations, and India has to depend on Java for her needs. The extension of Government plantations requires adequate finance which is not likely to be available when the architects will have to draw upon all available resources for constructing constitutional superstructures in India!

Owing to the development of industries, described in the foregoing pages, India ranks as one of the great industrial countries of the world at the International Labour Bureau at Geneva. Indeed, from the position of an importer of manufactured articles she has become an exporter of a large quantity of merchandise. Her imports now consist largely of articles that cannot yet be produced on a large scale in India. The proportion of the value of articles wholly or partly manufactured in India, and exported, to the total value of exports, shows an increase of about 9 per cent, from 17 per cent in 1904 to 26 per cent in 1930.

That she has abundant resources for the development of industries none can dispute, nor can one disagree with the declaration that "unless India can provide in the coming years a wholly unprecedented industrial develop-

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ment, the level of subsistence of the country, which is now appallingly low, will decline below the starvation point.”<sup>1</sup>

But India must proceed with caution along the road to industrialisation. Since her social and economic structure is fundamentally of the agricultural type, we in India must carefully avoid the blunders of the industrial development in the West. Our aim must be to secure a balanced adjustment between agriculture and industry. Already there are alarming symptoms of maladjustment between urban and rural interests in India. Industrialisation of India is of great importance to her welfare, but “so far we have seen repeated in India almost the whole of the blunders that attended the beginning of the industrial era elsewhere, in the failure to realise the needs of the workers as human beings. The process of transferring millions from agriculture to industry calls for a large statesmanship, if irretrievable blunders are to be avoided.”<sup>2</sup> Industrial India is still in its infancy. Her capitalists and merchant princes must wield great influence in the Governments of the future. They must realise that healthy industry alone can give birth to healthy politics; and in the words of the Royal Commission on Indian Labour, “to divide India, at this stage, into a series of units which could only progress independently would be a definitely retrograde step.”<sup>3</sup>

### *6. The Investment of British Capital in India*

The post-War industrial policy of the Government conciliated the Indian capitalists and encouraged the flow

<sup>1</sup> Sir Alfred Watson's speech, City Luncheon, Royal Empire Society, January 3, 1933. <sup>2</sup> *The Times of India*, 1928.

of British capital to India. The figures of export of British capital to India from 1919 to 1923 are significant.

TABLE 3  
(In million pounds)

Year	Total of British Capital Exported	Exported to India	Percentage to India
1919	237	1 4	0 6
1920	384	3 5	0 9
1921	215	29 5	13 6
1922	235	36 1	15 3
1923	203	25 3	14 4

After 1923 there has been a sharp decline in the investment of British capital, mainly due to the appearance of symptoms of general trade depression and also to certain indications of conflict with the Indian industrialists. The psychological background of the boycott of the Indian Statutory Commission, and of the "fuss" made by the Indian Liberal politicians, may be traced to this conflict of interests.

The flow of British capital into Indian industry led to the appointment of the External Capital Committee in 1924. The Committee decided, one must admit rightly, against any discrimination against foreign capital. They maintained that "Nothing could be more disastrous to the industrial development of India than measures which would scare away the external capital invested in it or prevent the local investment of its profits."

It is estimated that about 85 per cent of the capital of companies operating in India is British. The total

amount of British capital invested in India comes to about £1,000 million.

While Indian political leaders realise that there are considerable advantages arising from the combination of British and Indian capital for giving the necessary stimulus to the industrialisation of India, their conception of "responsible Government" is an India wholly independent of parliamentary control, excluding British goods by high tariffs, but dependent on the British Army and Navy for defence against aggression, and on British capital for building up Indian industries.

### *7. The Indian Fiscal Policy*

We have seen that our manufacturing industries, such as textile and steel, have considerably expanded under protective import duties; but the customs tariff of India is largely a revenue tariff. The *laissez-faire* principles of the nineteenth century obtained, until comparatively recent years, a strong hold over the Government of India. The early Indian publicists, inspired by the Gladstonian policy of unrestricted Free Trade, considered high tariff walls detrimental to human progress. During the Vice-royalty of Lord Northbrook (a tariff was imposed entirely for revenue purposes.) The history of that fiscal measure which imposed an excise on Indian cloth in the interests of the manufacturers of Lancashire, and its repercussions on the economic relations between India and Great Britain, should be remembered by those who hope this day to "preserve Lancashire trade" by organising political pressure on Parliament. This excise was abolished

in 1925, but "too late to give the measure any element of grace." The lesson derived from the tariff policy of the Government was not forgotten by the Indian manufacturers and the articulate classes. They demanded unceasingly fiscal autonomy so that the newly born Indian industries might be protected against foreign competition. What has come to be known as the Fiscal Convention of the Government of India has been the outcome of the Montagu-Chelmsford Reforms of 1919. The Joint Select Committee on the Government of India Bill of 1919 recommended that India should be given the right to determine her own fiscal policy. In pursuance of the recommendations of the Fiscal Commission (1922), which reported definitely in favour of "rapid industrialisation by means of discriminating protection," a Tariff Board was set up in 1923. The function of this standing body is to examine each case for protection and to make recommendations. In the eight years of existence of the Tariff Board, five industries have received a measure of protection. They are:

- (1) The Steel Industry.
- (2) The Cotton Textile Industry.
- (3) The Bamboo Paper Industry.
- (4) The Match Industry.
- (5) The Sugar Industry.

The first claimant was the Indian iron and steel industry. In addition to import duties and bounties, non-competitive contracts for the supplying of rails and wagons for the Indian railways undoubtedly helped the industry; but in spite of them, all is not well with the industry. Hence the demand for further consideration from the Government is insistent.

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With regard to textiles, the mill-owners are always on the doorstep of the Tariff Board. To them, Government assistance has become synonymous with Protective Tariffs. It is admitted that India entered rather late in the arena of the modern industrial world, and consequently a degree of protection was necessary.

The conditions laid down by the Fiscal Commission (1922) for India's tariff policy were:

(a) that the industry seeking protection should possess natural advantages;

(b) that for the normal development of the industry protection would be essentially needed;

(c) that the industry must be one which will be able eventually to face world competition without protection.

From 1921 the cotton industry has been enjoying the protection of import duties, which were raised considerably during the last ten years. The present position in regard to import duties on cotton piece-goods into India may be summarised as follows:

Plain greys and other piece-goods of British manufacture are liable to 20 per cent; and similar goods imported from elsewhere than the United Kingdom are liable to 25 per cent. Recently the duty on non-British piece-goods has been raised to 50 per cent with a view to counteracting the situation created by Japanese competition. Since Japan is the largest buyer of Indian raw cotton, it would be necessary for India to come to a trade agreement with her somewhat on the lines adopted by recent British trade agreements with the countries outside the Empire. While a quota system for Japanese imports of cotton piece-goods may for the present satisfy the parties

concerned, reliance on Japan for the consumption of India's surplus raw cotton is not a desirable situation in the interests of India and Lancashire

The industry has made a steady expansion of output during the post-War period and occupies the predominant position in the home market. In 1913-14, out of 13 33 yards consumed per head in India, 9 93 yards were imported goods and 3 40 yards were made in Indian mills. In 1929-30, out of 13 10 yards consumed per head in India only 5 95 yards were imported piece-goods, while 7 15 yards per head were produced in India. More detailed consideration is given to this revolutionary change in the next section.

But two factors must be borne in mind in this connection, viz. the capacity of the consumers to bear the burden of heavy duties, and the ultimate effect of tariffs on the maintenance and expansion of India's commerce with the world. The Indian protectionist assumes that the other countries would continue to buy raw materials from India, even though the sales of their manufactured articles in India may be greatly restricted, in other words, the purchasing power of the other countries will not be affected by the Indian tariff walls. The benefits obtained economically from protection may not be commensurate with the fall of prices of raw materials arising from restricted exports.

It appears to a close student of the Indian Cotton Tariff that the interests of the consumers have received inadequate consideration from the Government and the mill-owners.

In an estimate of the burden of higher prices laid on

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the consumers in consequence of protective duties on cotton manufactures in the period 1922-29, it is found that "the total burden of the duty placed upon consumers was over Rs 15 crores [1 crore = £750,000] per annum. This is nearly equal to the proceeds of the entire income-tax of British India. . . ."<sup>1</sup>

Recently an Indian economist has worked out the following averages for changes in *per capita* consumption of cloth in India from the available statistics covering a long period:

From 1899-1900 to 1913-14: 0.34 yard increase;  
1914-15 to 1920-21: 1.08 yards decrease;  
1921-22 to 1931-32: 0.27 yard increase; and  
1899-1900 to 1931-32: 0.09 yard increase.<sup>2</sup>

The above record of an annual increase of 0.09 yard during the last thirty-two years should be borne in mind by the cotton-mill owners when they carry on propaganda for further protection of the industry. The Government of India proposes to investigate the whole question of the Cotton Tariff, but in the meantime the mill-owners should recondition the industry and develop a scheme of rationalisation by which they may improve not only the structure of the textile industry but also the entire mechanism of the marketing organisation inside and outside India.

### *8. India and Lancashire*

Since the War, the fall in British export of cotton piece-goods to India has been very rapid. From the pre-War

<sup>1</sup> *The Indian Tariff Problem*, by Dr. H. L. Dey, 1933.

<sup>2</sup> Dr. H. Sinha, *Indian Economic Depression*, *Modern Review*, February 1933.

average of 2,500, the figure reached 1,300 million yards in 1929. As may be seen from the following tables, the development of the textile industries in the importing countries and the growing competition in the trade are responsible for the fall of the Lancashire industry in the post-War period. The steady decline in the United Kingdom's share in international trade in cotton goods is indicated opposite.

TABLE 4  
*British Exports of Cotton Piece-goods*  
(Million yards)

To	Average 1909-13	1925	1926	1927	1928	1929
Total	6,842	4,637	3,923	4,189	3,934	3,754
India	2,508	1,336	1,460	1,551	1,452	1,288
China	587	191	194	117	210	207
Far East	574	447	319	360	335	332
Central and S America						
S America	798	582	460	444	454	481
Near East	824	679	392	494	399	413
Balkans	316	399	310	340	354	327
Australasia	214	204	211	220	172	204
U.S.A. and Canada	146	134	97	93	82	72

The situation is unlikely to improve unless it is faced in coöperation with the Indian textile industry. But such a settlement cannot be reached either by threat or by political pressure.

From the figures of British exports of cotton piece-goods quoted above, it will be seen that the "tragic

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diminution of" that trade is experienced in the markets over which the White Paper can have no influence. Therefore Mr. Churchill and Lord Lloyd's criticisms on the White Paper proposals in connection with the Lancashire industry are, to say the least, entirely misleading.

TABLE 5  
*International Trade in Cotton Goods*  
*(In million pounds)*

From	1925	1926	1927	1928	1929
United Kingdom	150.63	116.05	110	107.30	99.26
Japan .. ..	36.61	40.13	37.24	33.64	39.26
France .. ..	16.24	14.28	18.84	16.60	16.16
Italy .. ..	18.38	14.56	13.31	14.12	13.71
U.S.A. .. ..	16.56	14.32	14.44	14.77	15.71
Belgium .. ..	5.21	4.98	5.23	6.21	6.40
United Kingdom's Percentage of Total ..	53.8	49	47	47.4	44.6

In August 1929 a Committee of the Economic Advisory Council was appointed by the British Government to report on the conditions and prospects of the industry. The following extract from the Committee's Report may help us to think rationally about the ways and means of preserving the British Cotton Trade:

"We are satisfied from the evidence laid before us that the British Cotton Industry has failed to adapt its organisation and methods to changed conditions and so

has failed and is failing to secure that cheapness of production and efficiency in marketing which alone sells staple goods in the East to-day."

### 9 *Imperial Rationalisation*

It should not be difficult to find a working formula of mutual benefit to India and Lancashire, provided there is a real desire for cooperation. The Lancashire cotton industry should adapt its organisation and method of production to changed conditions, and should endeavour to increase its use of Indian cotton, India should, on the other hand, pursue a vigorous policy for the extension of the cultivation of cottons suited to Lancashire requirements. But the use by Lancashire of the Indian cotton crop and the cultivation in India of the cotton for that use should not be haphazard. On the contrary, the mutual interchange of crop and manufactured products should be most carefully thought out. The Indian cultivator should, in the newly irrigated tracts of Sind, and in suitable localities elsewhere, set himself to produce fine cottons for the Lancashire mills, and the Indian mill-owners should voluntarily abstain from manufacturing the finer counts. In short, the production of cotton goods up to certain high counts should be left to Lancashire, while the cloth required by the Indian masses should be the concern of the Indian textile industry. The finer qualities of goods required by India and supplied by Lancashire would be admitted free to India. The Indian textile industry would be protected by a high tariff against Japanese competition and any ill-advised

attempt by Lancashire to recapture the middle and lower grade market.

It may be asked, what would be the attitude of India to such a scheme as suggested above? The writer holds the view that any such rational arrangement based upon proper understanding of inter-Empire tariffs would be acceptable to our industrial and commercial magnates. What is needed is leadership. India's material development is yet but in its infancy—railways, irrigation, hydro-electric undertakings, bridges, harbours, agricultural machinery and industrial plant,—all these are capable of vast expansion, and much of the material, much of the finance, must be found from external sources. But such development, to be sound, requires (1) assured external markets for the produce it creates surplus to the needs of the home markets, (2) transport to the coastal marts, and (3) shipping. In such a situation there is all the material for hammering out a commercial policy which will be mutually advantageous to each and all.

What is proposed here may be termed "Imperial Rationalisation." The phrase is of German origin and the idea behind it has been the guiding principle of the German Board of National Efficiency. Its object is not merely to avoid sources of waste in production and distribution, or to amalgamate interests of competing members of an industry. What it aims at has been well described by the Rt. Hon. Stanley Baldwin, M.P. Here is an extract from his speech:

At the beginning of the twentieth century "the Dominions were almost entirely, at any rate predomi-

nantly, agricultural They now, in common with the rest of the world, are seeking to industrialise themselves, and the movement has gone far in Canada, a country I believe destined to be one of the great manufacturing countries of the world Now there is nothing to be alarmed at in that, it will be a benefit to the Empire and to the world in the long run The proper method to-day of approaching this question of a unified British Empire lies primarily through the industrial side, and I have been working for some time past, with some of my colleagues and friends outside, to see what could be done to rationalise Imperially, and not only to rationalise domestically I regard this matter as of such importance that I am going into it in some detail, for, familiar as I and some of my friends are with it, it is a new subject to most, and I am particularly anxious to have it examined candidly by business men in this country and by business men in the Dominions and in India

"Every effort, in my view, should be made without delay to bring about arrangements between the industries—not the politicians, but the industries—in this country, and the corresponding industries in the Dominions and India It is no answer to say that the Dominion industries are competitors with our own Amalgamation, cartels, working arrangements, are made every year between keen competitors in the same country, and even in different countries Provided the proposed arrangement is a business proposition from which both British and Dominion industries will profit, the fact that they compete should not deter such an arrangement Competing industrialists find it convenient to get together in order to

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make some pooling arrangements to divide a market. In inter-Imperial arrangements I look for that, but for much more. As a first step I want to see conferences between representatives of selected industries such as steel, cotton, woollens in the United Kingdom, and representatives of those industries in one or more of the Dominions, and it should be their object to see whether the representatives of the industries cannot arrive at an agreement which would cover some, and if possible all, of the following matters: as to the lines and types of production which the Dominion industry might fairly manufacture for its own market, an agreement as to the lines and types which British manufacturers should sell in that market, and from both of these would come proposals for the adjustment of safeguarding and the necessary mutual preferences; agreement as to the assistance which British industry can afford in technical advice, in which we are so rich, and in finance, and possibly in the supply of skilled labour and agreement for combined research.

"If agreement could be reached on those broad lines, it might be possible further to provide selling arrangements in export markets. British steel-makers have now agreed that exports from this country shall be managed by a Joint Export Committee. Why could not such a national arrangement be expanded into an Imperial arrangement? There is every inducement to manufacturers to combine for selling. It is necessary for that purpose to give continuous service. That means skilled salesmen on the spot; but only the wealthiest firms can afford that, and a cost prohibitive for a single firm is within the compass of a combination. Combined selling

of this kind could be aided by our Trade Commissioners), and by the commercial diplomatic service pursuing a common Imperial policy, and such arrangements would encourage the establishment of common standards throughout the Empire—a matter of great importance—and the closest co-operation between the appropriate standardisation authorities throughout the Empire ought to follow.

"Such combination would lead to combination for the supply of raw material, a great deal of which in a great many industries exists inside the British Empire."<sup>1</sup>

## 10 *The Development of Hand-loom Industries*

There is a general impression that the growth of cotton mills has completely destroyed the hand-loom industry in India. But this is not true, for it is estimated that the hand-looms yield about 38 per cent of the total cloth produced in India, and about 25 per cent of the total annual consumption. The industry provides occupation for over two million persons and supports about ten millions. As long as the pressure of population on the land remains as it is to-day, the hand-loom offers a remunerative subsidiary occupation for a portion of the vast rural population of India.

"It alone offers an immediate practicable and permanent solution," says Gandhi, "of that problem of problems that confronts India, viz. the enforced idleness for nearly six months in the year of an overwhelming majority of India's population, owing to lack of a suitable supple-

<sup>1</sup> Address at the Coliseum, London, February 5, 1930.

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mentary occupation to agriculture, and the chronic starvation of the masses that results therefrom."<sup>1</sup>

The secret of the vitality of the Indian hand-loom lies here. The invention of the spinning-jenny and the power-loom, the Industrial Revolution, and a series of enactments from the beginning of the eighteenth century forbidding the use or sale of Indian calicoes in England—all these impediments attempted to thwart India's hand-loom industry; but even now it has survived to an amazing extent. The following table summarises the position of hand-loom production in relation to total cloth consumption.

TABLE 6<sup>2</sup>  
(*In millions of yards*)

Year	Total Cloth Consumption	Total Hand-loom Production	Percentage of Col. 3 to Col. 2	Total Production in India	Percentage of Col. 3 to Col. 5
1924-25	4,706	1,256	26.6	3,226	38.9
1925-26	4,479	1,160	25.8	3,114	37.2
1926-27	5,115	1,296	25.3	3,554	36.4
1927-28	5,420	1,292	23.8	3,648	35.4
1928-29	4,772	1,116	23.4	3,009	37.0
1929-30	5,582	1,404	25.1	3,822	36.7
1930-31	4,725	1,388	29.3	3,949	35.1

It should be borne in mind that there are certain kinds and grades of cloth now supplied by the hand-loom which

<sup>1</sup> See *Young India*, October 1926.

<sup>2</sup> Compiled from *Indian Cotton Textile Industry—its past, present and future* (1930); and *How to Compete with Foreign Cloth* (1931), by M. P. Gandhi.

the mills cannot produce at a profit. The hand-woven textiles are more durable and more artistic than the mill-made products, and they satisfy the ingrained custom and taste not only of the rural folks but also of Indian gentry.

The movement for the revival of hand-spinning and hand-weaving, initiated by Gandhi, has undoubtedly helped the cause of rural welfare; but it is to be regretted that the movement should have been associated with political controversies.

According to the latest Report of the All-India Spinners' Association, organised by Gandhi, the sales of home-spun cloth last year amounted to about 91 *lakhs* of rupees (£680,000). Over 7,000 villages participated in the production of cloth, which supported over 200,000 spinners and 5,000 weavers. It is worth noting in connection with these statistics that the general price-level stood at about 12½ per cent below what it was at the commencement of the Association's activities.

Gandhi lays great stress on the use of the *charkha* (spinning-wheel) for producing yarn, so that the industry may be independent of its supply from both the foreign countries and the Indian mills. The hand-loom industry consumes over 350 million lb of yarn per annum, only a small percentage of which is hand-spun yarn.

Obviously, the future of the hand-loom industry depends mainly upon the supply of cheap yarn. But the attitude of the Government of India in connection with the import of cheap yarn has been chiefly dictated by the mill-owners. In 1927 the Government of India, in their Resolution No 341 T (27) of June 7, 1927, refused to

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grant protection to spinning industries on the ground that "an increase in the duty on yarn would prejudicially affect the hand-loom industry of the country."

But, on subsequent representation by the Bombay Mill-owners' Association exactly four weeks later, on the 16th of August, the Government of India reversed its former decision in a Communiqué in which they agreed to grant protection to the Indian yarn of 40's counts and below so as "to neutralise the unfair advantage enjoyed by Japan."

Now in yarn of lower counts, that is, 1's to 30's, the Indian mills have a practical monopoly of the market, and these are the counts which are generally used by the hand-loom weavers. The enhancement of the duty on yarn seriously increased the handicap of ill-organised artisans, and their position became further weakened at a period of extreme financial distress.

### *ii. Economic Planning for India*

This is, in brief, a survey of our present economic position. For the stability of the constitutional edifice now planned, the first necessity is to make the economic foundation sound and secure. With this object in view, the Government have decided to establish a Federal Reserve Bank, free from political influence, as a condition precedent to the transference of financial responsibility to the proposed Federal Legislature. They have planned four loan transactions in order to convert the volume of the short-term debt into long-term securities at a reduced rate of interest; the sterling reserves have been con-

siderably strengthened, and India's credit in the money market is substantially enhanced. This is all to the good, but would these measures alone suffice to improve the basic economic structure upon which the welfare of the Indian masses depends? Do we not need "conscious corporative direction" and a coordinated economic planning? Sir Basil Blackett, who was Finance Member of the Executive Council of the Governor-General of India from 1922-28, declared in the course of an address on the world's economic crisis that "conscious corporative planning is not only a desirable means of progress, but an unavoidable necessity, if we are to save the economic structure of modern civilisation from disaster." The same view found expression in a recent speech of His Excellency Lord Willingdon. He said

"I think it is true to say that there is now in the world, and particularly in India, a growing sense that in the present world conditions some sort of economic planning is necessary for every country."

Will there at last be a "Five-Year Plan" for India? Nothing has been more disappointing to me than the way in which the recommendation of the Linkthgow Report as regards the necessity of attacking the Indian economic problem "as a whole and at all points simultaneously" has been ignored by the Government of India. A Central Council of Agricultural Research has been set up, but there has been no conscious effort towards adopting and acting on a comprehensive economic policy.

"First and foremost in the planning of national reconstruction comes the necessity for comprehensive insight

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and a firm grasp of the inter-relationships between the various aspects of our political and economic and social life."<sup>1</sup> But the trouble is, the Governments in India work in close compartments, and it is this departmentalism that has, so far, stood in the way of making such plans. Recently the Bengal National Chamber of Commerce, which represents a body/chiefly concerned with the economic problems, submitted to the Government a Memorandum urging planned action. The Chamber observes:

"The situation demands a corporate and organised effort directed in accordance with a well-conceived plan. Such a plan should embrace not only the development of our industrial resources, but should also extend to such important fields of activity as banking, shipping, foreign trade, etc., where the share of the people of the Province is at present very meagre, and in some of them entirely absent. Here, as elsewhere, the haphazard policy which the Government have been following in the matter of the economic development of the Province must give place to planned action."

Our political controversies tend to side-track this need of concerted action for leading India on to the path of balanced agricultural and industrial development. What India needs to-day is creative effort in a determined way to secure economic progress and social welfare. The demand of us Indians is that the Central Government should be divested of its responsibilities towards the so-called federating units, which are to be fully autonomous. But let us not forget that economically India is

<sup>1</sup> Sir Basil Blackett.

one, and that inter-relationships between the constituent parts of the Governments necessitate the creation of effective coördinating bodies at the centre. And through these bodies cooperating between the Government and the people, the lack of which has so far characterised the administration will be assured. Since the beginning of the twentieth century, strong, unifying economic forces have been at work, and, notwithstanding the existence of diversities, one is able to visualise India as an economic unit. During this period the fiscal inter-relations of Indian States and British India have improved, and most of the States have abolished inland customs barriers. These are the hopeful indications of India's economic unity, and if her interests can now be reconciled with those of England, Indo-British partnership will be founded on the rock of economic solidarity.

## 12 *The Indian Banking System*

Since the banking and currency systems of a country are integral parts of its economic life, some of their essential features, as found in India, may be stated here.

The Indian banking system consists, in the main, of two parts, namely, the banks which are of the Western type, and the money-lending business known as the indigenous system. The former are chiefly concerned with external commerce and trade, and are organised on the basis of the English system, and the latter finances a very considerable part of the extensive internal commerce, trade and agriculture, and has the characteristics of extremely rudimentary and undeveloped banking.

institutions. The establishment of a settled Government and the gradual expansion of India's external and internal commerce have opened up a vast field for the business of the indigenous banker. In the absence of adequate facilities for financing agriculture and subsidiary industries, he has made himself almost indispensable to the cultivators and village artisans. The evil of this uncontrolled money-power under the conditions obtaining in rural areas in India is obvious. The situation has been well summarised by Sir Daniel Hamilton in his Note<sup>1</sup> of evidence to the Chamberlain Commission. He says: "If the producer has to pay anything from 25 to 100 per cent for his finance, the inducement to produce is wanting; for it means that all he makes, over and above his bare living, goes to his creditors. The secret of successful industry is to buy your finance cheap and to sell your produce dear. The Indian buys his finance dear and sells his produce cheap. His creditor generally fixes the price of both. The *ryot* feeds the financier in the fat years, and the Government feeds the *ryot* in the lean. Trade flourishes on the labour of the bankrupt people, for three-fourths of the people of India are unable to pay their debts."

The indigenous money-lending business itself is not organised in the sense of mobilising capital for developing India's potential resources. The banks organised on the European system functioned partly as the Government's banks and partly as the agencies for the traders engaged in the export and import trade of India. Then there are the Exchange Banks, which are of a very specialised character.

<sup>1</sup> See Appendices, vol. 2, p. 524. Cd. 7071 (1913).

Thus India entered into the world of commerce handicapped with a deficient financial mechanism, and found herself confronted with highly organised financial markets. The state of affairs has naturally led to consequences which cannot but be harmful to India's internal economy and external trade relations. "In respect of banking," observed Lord Curzon in 1899, "it seems we are behind the times. We are like some old-fashioned sailing ship, divided by solid wooden bulkheads into separate and cumbrous compartments."<sup>1</sup> But, during his regime, the Government amended the Presidency Banks Act, which did not materially alter the situation. Lord Curzon himself described above. The entire banking structure of the country remained divided into watertight compartments. To-day, as a condition precedent to the transference of financial responsibilities to the proposed Federal Assembly, India is to have a Federal Bank. The suggestion in regard to the development of a coordinated system of banking in India is not a new one. As early as 1898-99, the Fowler Committee, in a Note appended to the Report, stated the advantages of a strong central State bank. In a Memorandum annexed to the Report of the Royal Commission on Indian Finance and Currency, Mr J. M. Keynes advocated the formation of such a coordinating agency which could assist the cooperative movement and industrial development by providing adequate financial facilities. But nothing was done till after the War, and that, too, in a very restricted form. During the War period the Government of India were convinced of the necessity of a central State bank,

<sup>1</sup> Speech, Imperial Legislative Assembly, September 1, 1899.

and in 1921 three Presidency Banks—Calcutta, Bombay, and Madras—were amalgamated to form the Imperial Bank of India. The amalgamation resulted in the removal of many of the restrictions which handicapped the Presidency Banks; but the relaxation of restrictions which was thus made possible was confined to the restrictions on commercial banking. "Not even the official advisers of the Government of India in the annex to the Chamberlain Commission Report could, in their vision of a State bank, think of realising for the country other advantages than those accruing to the commercial community by the elasticity of the credit system, by the introduction of a re-discount market and a definite bank-rate policy."<sup>1</sup>

The Currency Commission of 1926 made a definite recommendation for the creation of a new central bank designed to achieve unity of policy in regard to the control of the currency and credit of the Indian Empire. The model of its constitution is to be somewhat like the Bank of England, and the most important feature would be to run it "free from political influence." The motive behind this "safety-clause" is to protect the operations of the bank from a degree of political pressure which is inevitable under the new constitution and from which the mainspring of the Indian banking organisation ought to be kept wholly free. I am not aware of any process by which this ideal may be achieved in India at the moment—everything is so dominated by political expediency.

The Government of India, anxious to effect improve-

<sup>1</sup> *Money and the Money-market in India*, by Wadia and Joshi. Macmillan, 1926.

ments in India's currency and credit systems, brought forward the Reserve Bank Bill before the Legislative Assembly in 1927, but it met with severe opposition and had to be finally withdrawn. One of the main amendments proposed by the opposition was that the bank should be a State bank and not a shareholders' bank. While the Government worked on the principle of excluding political influence, the opposition fear the dominance of industrial financiers in a shareholders' bank. It is interesting to note here that Sir Basil Blackett, then Finance Member to the Government of India, offered to accept a State bank and the election of six directors by electoral colleges, but these concessions to the wishes of the opposition were not favoured by his supporters. Further, the opposition demanded the introduction of an actual gold coinage and also the assurance of political control over the bank. To these the Government could not accede, and the only way out, then, was to withdraw the Bill.

This was the position of our banking organisation before the distant goal of All-India Federation was brought near to us by the new constitutional proposals. Now, there must be a Federal Bank—a new organisation. The definite proposals are not as yet known, but the Indian Federal Bank and its units must be organised with reference to India's own special requirements—that is, the requirements of the cultivator, the artisan and the small trader. "If we cater for the small man," says Sir Stanley Reed, "I believe we can develop Indian banking to a degree which may now seem almost inconceivable."<sup>1</sup>

<sup>1</sup> Evidence before the Babington-Smith Committee (1920).

Secondly, the constitution of our banking institutions should not be framed after the model of the Bank of England. In this connection the opinion of Mr. J. M. Keynes may be of special interest to us. He says: "If some day sufficient constructive energy is stirred into activity to undertake the task, let the framers of the new bank's constitution put far from their minds all thoughts of the Bank of England. It is in the State banks of Europe, especially in that of Germany, or in those, perhaps, of Holland or Russia, that the proper model is to be found."<sup>1</sup>

Thirdly, the growth of unhealthy competition between "member-banks"—a defect that may be likely to appear under the conditions obtaining in India—should be avoided by a strong central board invested with supervisory powers over the entire banking organisation of the country.

Fourthly, the possibilities of adapting the Imperial Bank to India's new requirements by extending its present functions should be carefully examined. We can only hope that the Government may consider the proposal of a Federal Reserve Bank without being subjected to political influence and pressure. It is a truism that the improvement of banking and credit facilities must be associated with any scheme of economic planning.

## *13. The Indian Currency System*

Sir Basil Blackett once remarked that "in view of what we have done with currency and currency has done

<sup>1</sup> *Indian Currency and Finance*, by J. M. Keynes.

with us in the last twenty years, we are all of us fit for the lunatic asylum" The writer is not aware of the number of the Indian Finance Members to the Government of India who have to spend their retirement in a lunatic asylum!

The Indian currency has been subject to many hazardous experiments leading to, on several occasions, serious breakdowns Under both the early Mohammedan and the later Moghul rulers, there were numerous varieties of coins in circulation in India In the beginning of the nineteenth century the directors of the East India Company intended to establish one general system, and in 1835 they declared the silver rupee<sup>1</sup> to be the sole legal tender throughout India This was eventually followed by the demonetisation of gold But the exclusion of gold from the currency of India raised a storm of protest from the Chambers of Commerce, and in 1866 a Commission was appointed in order to advise the Government in regard to the feasibility of making gold legal tender The Commission recommended the introduction of a gold standard, and Sir Richard Temple, Finance Member to the Governor-General's Council, in a famous Minute in 1872, expressed his views in favour of a gold standard and gold currency in India In the early part of the nineteenth century England and France were using gold and silver, but owing to a different ratio for the value of gold to silver, gold began to accumulate in England, and in 1816 England took up the monometallic gold standard This, and the currency situation after the Franco-Prussian War, led to the belief that a

<sup>1</sup> The rupee weighing 180 grains troy, 165 grains fine

gold standard in India would be conducive to India's financial interests. For in 1873, Germany discarded her silver currency, and in the year following, the Bi-metallic Latin Union suspended the free coinage of silver. Consequently, from 1873 the silver market in India became demoralised, and serious financial troubles began with the fall in the value of silver, which reached as low a figure as 37 $\frac{3}{4}$  pence per ounce in 1892. The situation had to be examined by a special Committee,<sup>1</sup> on whose recommendations the Government suspended the free coinage of silver in 1893 as a *step* towards the introduction of a gold standard in India. That the Indian currency policy had to be determined in relation to that pursued by other countries was made clear by Sir David Barbour<sup>2</sup> in his financial statement in 1892. He declared: "I am unable to discover any permanent remedy for the evils which, day by day and year by year, press themselves upon our attention in India, except either the general adoption of the system of double legal tender or the extension of the single gold standard." He went on to emphasise that if America altogether abandoned silver, it would probably be best that India should change her standard; but he gave a warning to Western nations as regards the serious consequences that might attend the adoption of a gold standard. "But," concluded Sir David, "if, in this matter, they look only to what they conceive to be their own interest, they cannot reasonably object to India following the same course."

No specific provision for the introduction of a gold

<sup>1</sup> The Herschell Committee, 1893. Cmd. 7060.

<sup>2</sup> Finance Member, Government of India.

standard, however, was made, and the demonetisation of silver raised the value of the rupee to 1s 4d by limiting the volume of silver currency. The problem was, then, to maintain the rate of exchange at this level so that the Government might give effect to the promised introduction of the gold standard. In 1926 this *de facto* gold exchange standard was transformed into a gold bullion standard.

In the statement quoted above, Sir David Barbour's warning to Western nations deserves special attention. To-day the entire financial system of the world is in a state of disequilibrium from what is called "mal-distribution of gold." That precious metal has become to a certain extent "sterilised."

What is the way out of this state of affairs caused by the behaviour of gold in the world's currency? It is well for all concerned to remember that gold alone cannot be relied on as the means of exchange for the commerce of the world,<sup>1</sup> and that any remedies that can effectively bring about adjustments must be sought for in concerted action. In the past, a solution of the difficulties that arose out of the demonetisation of silver might have been found in bi-metallism and in a fixed ratio of silver to gold, but, unfortunately, the Brussels Monetary Conference (1892) did not come to an agreement on a bimetallic basis.

I hope that one outcome of the World Economic Conference (London, 1933) may be the rehabilitation and revalorisation of silver in the Indian currency system.

<sup>1</sup> See Reports of the Macmillan Committee, 1931 (Cmd 3897), and of the Economic Committee of the League of Nations.

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Silver plays an important part in the economy in India. From her accumulated hoards of silver, India will be able to make an effective contribution towards overcoming the present economic depression. The use the British Government have made of Indian silver in connection with the token payment in respect of the American debt this summer (1933) is very significant in this regard. It is estimated that India has over 3,000 million ounces of hoarded silver. That it is contrary to the interests of India to depreciate the value of silver would be obvious to those who have any understanding of the internal economy of a vast sub-continent, the people of which place their trust in the white metal. Indeed, through the failure of the Government of India in stabilising the silver currency, the people have suffered grievous loss, and it is of the utmost importance that the matter should now be rectified. Speaking in the House of Lords<sup>1</sup> on the question of bi-metallism, Lord Desborough observed: "Seventy per cent of the population of India are agriculturists, and owing to their being tied on to an artificial rupee, in connection with our own system, their prices have gone so low that these cultivators at the end of the year have absolutely no margin upon which to live." The restoration of silver currency was urged by M. Cailloux, the former French Finance Member, as an effective means of reviving the markets in India and in China. In the United States of America, the concensus of influential opinion is in favour of such measures. In a broadcast address, Senator Pittman, Chairman of the Silver Sub-committee of the Foreign Relations Committee of the Senate, said:

<sup>1</sup> December 7, 1932.

"The British Government of India, by its policy, has struck down the wealth of India and destroyed the purchasing power of its subjects, but it has equally and in the same manner destroyed the purchasing power of China, South America, Mexico, and every silver-using country in the world. This has disastrously reduced the export trade of the United States and every other country."

Hard words, these; but in this policy of demonetising silver the Government of India alone cannot be held responsible. Two years ago, the French Government in Indo-China demonetised silver, and Britain, France, and Belgium debased their silver coins.

But things cannot be allowed to drift on to a further cataclysmic drop in the value of silver, and one hopes that the required international cooperation to remonetise silver will be available as a result of the World Economic Conference. The Indian commercial public still has the "gold mentality," but with the establishment of a definite ratio between silver and sterling they may be converted to the principles of bi-metallism. They must realise that one of the essential requirements of a Reserve Bank is to build up adequate reserves, and that in formulating a monetary policy for India—the writer hopes a Federal India—they must not be allowed to be influenced by that unstable factor known as political expediency. It is a truism that finance should be the handmaid of economic life, and not its master.

*W4. India's Industrial Future*

The discussions and controversies that raged over "commercial safeguards" in the proposed new constitution for India indicate that there is suspicion in the minds of Indian public men and of British capitalists, and no policy towards the industrialisation of India can be conceived and carried out in an atmosphere of mutual distrust and intolerance.

The circumstances which have given rise to suspicions in regard to the Government's policy towards industry may be cited here:

(1) The Indian industrials have not yet forgotten the history of the Cotton Excise Duty imposed in the interests of the Lancashire industry.

(2) The imposition of an import duty on the machinery necessary for the process of building up its manufactures in India.

(3) The strenuous resistance by the Government to the proposal brought forward in 1928 to reserve the coastal traffic of India for Indian shipping companies.

(4) The "manipulation" of the exchange ratio. An English Labour intellectual has stated the case on behalf of the Indian industrialists as follows:

"The fixation of the ratio of the rupee at 1s. 6d. in place of 1s. 4d. had a disastrous effect upon the post-War prosperity of India. It led to the dislocation of industry and the sale of Reverse Council Bills which dissipated India's gold to the extent of £24 millions. The Government subsequently appointed a Currency Commission, upon which Sir Purshottamdas Thakurdas, one of the

ablest representatives of Indian trade, strongly urged fixing the ratio at 1s 4d, but the Government would not listen to his advice, and fixed it at 1s 6d. The higher ratio has been one of the factors in causing the recent slump in Indian industry and agriculture. British officials in India, British importers of goods, and British investors have all benefited."<sup>1</sup>

(5) The phenomenal decrease in the export of British capital to India, which fell from £25 3 millions in 1923 to £0 8 million in 1927.

The writer is not concerned here with the task of defending the policies of the Government, or of supporting Indian capitalists in their attitude towards them. What is important is to take cognisance of the mood of suspicions that characterises that attitude. And it is in this attitude British capitalists and traders find a ground for apprehension of their being treated as aliens in a self-governing India. In pursuance of their insistent demand for adequate commercial safeguards against discriminating legislatures, the Indian White Paper on Constitutional Reform gave statutory protections against differential treatment on grounds of "religion, descent, caste, colour, or place of birth." The question arises in the mind of an unbiased student of Indian politics whether safeguards can be made effective if there remains the miasma of suspicions almost amounting to antagonism. Realising that India's industrial growth depends largely on British enterprise and British capital, the withdrawal of which would spell disaster, the Nehru Committee<sup>2</sup> observed

<sup>1</sup> *The Indian Crisis*, by F. Brockway

<sup>2</sup> The Committee of the Indian National Congress which prepared a scheme for Indian Constitution

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"As regards European commerce, we cannot see why men who have put great sums of money into India should be at all nervous. It is inconceivable that there can be any discriminating legislation against any community doing business lawfully in India."

An assurance of a similar nature, but clothed in languages that inspired varying interpretations, came from Gandhi, who, on behalf of the Indian National Congress, submitted that:

*"No existing interest legitimately acquired, and not being in conflict with the best interests of the nation in general, shall be interfered with, except in accordance with the law applicable to such interests."*

In explaining this formula, Gandhi said that the implication of the phrase "legitimately acquired" was "that every interest must have been taintless, it must be above suspicion, like Caesar's wife"; and the condition, namely, "not being in conflict with the best interests of the nation in general," amounted to a thorough examination of trusts, monopolies, and other privileges acquired by some private person or persons from the State.

Gandhi's formula dealt with vested interests of all kinds irrespective of nationals and non-nationals; but the chief concern that engaged the framers of the Indian Constitution has been to protect British commercial interests against discriminating legislations.

Of course, safeguards against racial trade discriminations are there in the White Paper proposals; but statutory protection without securing an agreement with Indian commercial opinion may prove ineffective in practice. It is a fundamental mistake to leave this matter of com-

mercial relations between British and Indian business men in the hands of politicians who are not, as a rule, fully competent to deal with extremely complicated issues involved in the required process of adjustment. These are highly technical matters for which political doctrines or political expedients cannot find a proper solution. The best course is to formulate a definite trade agreement between two commercial communities, based on the realities of the situation that confronts the economic world to-day. India's relations with Great Britain are essentially economic. For the exploration and exploitation of a large field for development of industries in India, coöperation with British assistance is of the utmost importance. And for securing that assistance the essential condition is to give British capital the assurance of security. If the controversies over political issues or the reckless gambling with untried political experiments tend to undermine the grounds of that security, then it is a bad omen for India, and also for Great Britain.

It is a mad world economically. The economic war waged by nations of the Western world is about to precipitate a serious crisis. The forces which, once released, work for economic disintegration have been increasingly active throughout the world, and no constitutional structure, however strong, has succeeded in arresting the process. At a time like this, let not our minds be obsessed with the idea that a mere change in the organisation of the Government will solve our problems in India. If it is argued that transference of power behind that organisation to our own hands is essential for the needs of our economic life, I would say

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that the mechanism of Government is so constituted that "those who are mechanics are made into parts of the machine." Is there any reasonable hope that the new constitution, with its inevitable steel frame of numerous safeguards, reservations, and powers of intervention, will accomplish the task of reorganising the machine itself? Is not there, on the other hand, a grave risk of making that machine a thousand times more complicated and difficult in its manipulations?

The constitutional "gifts" which Parliament is to make to India will not solve all her problems. Regard being had to present-day tendencies throughout the world, it is rather to the growth of *real* understanding between India and Great Britain and to coöperation in common economic interests that we must look for the true solution of our mutual difficulties.

Our immediate concern should be to dispel the clouds of misapprehension from the horizon. It would be fatal to the progress of both the countries if a storm of ill-considered opposition burst forth only to wreck the creative efforts of the past.

## CHAPTER II

### LAND, LABOUR, AND LIFE OF THE INDIAN PEASANTRY

#### 1. *The Problem of Livelihood*

Recently a French author of repute observed that revolutions were hardly questions of doctrine but were dramas of hunger. His views remind one of Lenin's definition of revolution as being the conquest of bread.

When I turn my mind to the realities of the situation in India, I wonder to what extent the unrest is due to economic discontent or whether the present national upheaval is only a revolt against the form of government now in existence there. Are the masses of India concerned with the extension of franchise or with political reforms? Can they expect that their own needs for better existence will be met within a reasonable time by these reforms?

Commenting upon the widespread agitation in India, an American writer who lived among the villagers for a number of years in the United Provinces says:

"The Oudh villagers might profess little interest in debates of the Indian Legislative Assembly at Delhi, but they all knew the meaning of *Swaraj*, and most of them were convinced that in some mysterious way, when self-government came, they would be less hungry."<sup>1</sup>

The Mahatma Gandhi once promised *Swaraj* by

<sup>1</sup> *Voiceless India*, by Miss Gertrude Emerson, late Editor of *Asia*, New York, 1930

January 1, 1922—a New Year's gift to the masses of India. With a view to impressing upon H.R.H. the Prince of Wales the widespread character of unrest the Congress, under the guidance of Gandhi, declared *hartal*; and "on December 24th, when the Prince passed through Calcutta, he passed through a silent and deserted city." At this time I asked a number of mill-hands employed in a jute factory near Calcutta what they had at the back of their minds when they talked about *Swaraj*. Most of their replies were that it would mean for them a large share of profits of the mills where they were now employed. Some found in *Swaraj* a means of escape from the *bustis*<sup>1</sup> to their village, where land would be equitably distributed.

## 2. *Life in the Indian Village*

Nobody can live in an Indian village and fail to be impressed with the gloomy picture that poverty in India presents. The villager, though intelligent, is mostly illiterate, and he becomes an easy victim to the various economic, social, and religious parasites. In our village organisation what has become damaged and corrupted is the inter-relation of the various groups with the result that their power of resistance against the intrusion of external forces has become weakened. Thus, the priest, mendicant, money-lender, rent-collector, shop-keeper, travelling salesman, produce-broker, village "doctor," village official, lawyer's tout—all these dominate the moral and material life of the village.

<sup>1</sup> A collection of huts.

To these "benefactors" there will soon be added the agents of the candidates aspiring to seats in the Provincial Assemblies. Naturalists say that the most mischievous enemies of unprotected and primitive man are not the big carnivora with whom he has to fight now and then on unequal terms, but the lower forms of creation—the insects, the mice, rats, wild birds, and other small pilferers, which overwhelm him by their numbers and omnipresence.

Turn to the question of rural sanitation, malaria, cholera, smallpox, and other preventable diseases, in the absence of sanitation and medical assistance, add to his misery. Malnutrition accounts largely for the poor physique and relative inefficiency of large sections of the population. "There is a vast amount of what can only be termed dangerous poverty in the Indian villages—poverty, that is to say, of such a kind that those subject to it live on the very margin of subsistence," says an official statement of the moral and material progress of India in 1927-28.

In drawing attention to these matters, I make no charge that the Government of India have developed a special apathy towards the needs of India's voiceless peasantry and that the political influence of merchants, money-lenders, and lawyers, out of all proportion to their numerical strength, is a phenomenon peculiar to India.

The Indian publicists, as well as some of the sympathetic Government officials, since the beginning of the process of strengthening the administration of the country, have urged on making the Indian village an effective unit in the structure of the Government.

realising that reorganised village communities must be the foundation on which India should build her national policy. The growing politically minded class felt the urgent need for spreading the benefits of mass education among the rural population; the economists declared that India's national-being depended on the well-being of the Indian peasantry, and consequently every branch of human endeavour should be explored, with a view to providing the basic national structure with a solid and firm foundation. All these sentiments have been repeatedly expressed in speeches, and even found place in various despatches and reports of the Government of India. We must remember that for something like one hundred and fifty years that Government has been supreme in India. And yet the outstanding feature of Indian life is poverty. It is a grim fact, and such improvement as is taking place proceeds with extreme slowness.

### *3. The Predominant Occupation of India's Millions*

It is common knowledge that the chief occupation of more than 75 per cent of the Indian population is agriculture, and therefore the basic structure of Indian economic life rests on agriculture. All the phenomena characterising the gradual process of economic evolution from the self-sufficient to the commercial stage are to be seen in the rural economy of India. It is customary to indicate the importance of agriculture by the number of people actively engaged in it; but from the point of view of national stability its importance is of vital interest

to the State. In spite of occupying [a foremost place in the industrial] world, the Agricultural Tribunal of Investigation of Great Britain in 1924 observed that "there is [reason for saying that when a nation becomes] predominantly industrial and its agriculture is restricted, the national life suffers."

Agriculture in/India is not restricted, but industry is seriously handicapped/with certain uneconomic factors, arising partly from social customs and widespread illiteracy, and/partly from the lack of a comprehensive State policy in/recognition of the special claims of the industry. Then there are/limitations imposed on crop-production by vagaries of climate and rainfall.

The/pressure of an ever-increasing population on the land/presents one of the perplexing problems of India. In ten years, from 1921 [to 1931, over 32 millions have been/added to the population of India. This increase will continue and, if unchecked, the/population will grow faster than the increase in/the productivity of agricultural industry. One of the obvious solutions of finding work and sustenance//for the increased population lies in/the direction of industrial development; but the technique of industrial production has advanced so much that/only a fraction of the/annual increase can be absorbed into industry. Were India, to-morrow, able to provide herself with all that she/now imports, the/required industries would absorb barely a year's growth in the population. Besides, the industrial advancement is largely dependent upon the/purchasing power//of the agriculturist, who must be the main consumer of Indian industrial products.

#### 4. *The Standard of Living*

The preponderance of agriculture as the only means of livelihood cannot raise the standard of life of the masses, and if the factors operating within that primary industry become uneconomic, the standard must remain miserably low. The Industrial Commission in 1918 showed "how little the march of modern industry has affected the great bulk of the Indian population, which remains engrossed in agriculture, winning a bare subsistence from the soil by antiquated methods of cultivation." The steady expansion of India's export trade, increase in her imports, and growing demands for foodstuffs and raw materials for internal consumption are cited as indications of a permanent rise in the standard of living. A slight improvement in the prosperity of the cultivators can be inferred from these indications, but the real beneficiaries of the present economic developments in India are the various types of interests that group around the rural population.

Comparing India at the death of Akbar with India of to-day, Mr. Moreland says: "It is improbable that for India taken as a whole, the gross income per head of the *rural* population has changed by any large proportion; it may possibly be somewhat smaller, more probably it is somewhat larger than it was; but in either case the difference would not be so great as to indicate a definite alteration in the economic position."<sup>1</sup> After scrutinising all available data, Mr. Moreland concludes as follows: "Our final verdict must be that, then as now, India was desperately poor, and that that deficiency of production

<sup>1</sup> *India at the Death of Akbar*, by W. H. Moreland.

which is the outstanding fact of the present day was, at the least, equally prominent at the close of the sixteenth century."

While one must admit that there has been an increase in India's productive capacity since the beginning of the present century, it has not materially affected the masses to any great extent. In the first place, the increase is relatively small in proportion to the growth of population. Ten years ago, two Indian economists concluded, after laborious examination of all available economic data, that in 1923 there had been an increase of 2 rupees 2 annas per head in *real* income since the pre-War period. But it is as well to remember that in India the inter-relation between production, distribution, and consumption is so disorganised that the actual producer does not always get the benefit from the years of prosperity.

### *5 Lessons from Western Industrialism*

Since the Industrial Revolution, the process of development has been through a sequence of events which has led to the subordination of rural to urban interests. The city is the offspring of the industrial age, and, as this urban civilisation has grown, it has conjured up out of its heart forces which have created disequilibria, not only between urban and rural interests, but between all the component parts of the social and economic structure of society. The growth of civilisation in the Western industrial countries has become distinctly onesided, in consequence of which the problem of rural reconstruction

is now confronting their Governments. This onesided industrial development has certainly led to the increase of wealth, but it is largely responsible for the disorders of the present-day economic system, and is considered to be a source of social demoralisation. The features of modern economic production in the industrial countries are viewed with alarm by some of the prominent thinkers of our times. Writing in 1923, Sidney Webb (now Lord Passfield) speaks of this globe of ours as the lunatic asylum of the solar system, judging by the absence of a coöordinated relation between consumption, production, and distribution. As a result of economic chaos we are confronted, say the authors of *Decay of Capitalist Civilization*, with a "state of things in which a vast amount of labour is lavished on the most futile luxuries, while tens of thousands of infants are perishing for lack of milk, innumerable children are growing up without adequate nurture, millions of men and women find themselves condemned to starved and joyless lives, and the most urgent requirements of the community as a whole—to say nothing of the essentials to the well-being of the future generations—remain unprovided for."<sup>1</sup> Indeed, industrial prosperity in the West may have been bought too dear.

## 6. *Rural and Urban Interests in India*

But we are concerned with India. Here the divergence of rural and urban interests, though visible in every

<sup>1</sup> *Decay of Capitalist Civilization*, by Sidney and Beatrice Webb.

sphere of life to-day, has not taken a serious turn as yet, we must, however, safeguard ourselves against such tendencies, and I am convinced that organisations, such as the Indian Village Welfare Association, can render a great service, not only to India, but to those other countries where backward rural communities exist, by creating a strong public opinion in favour of such measures as are required for rehabilitation of rural life and labour. And the need of this is very real /

A true social organism is created with common human and economic interests, and that is why the relation between urban and rural life should be harmonised. In recent times, all over the world the producers of agricultural products have fallen into distress. This phenomenon cannot be explained away by citing causes of temporary agricultural depression. The truth is, equilibrium between the village and the city has not been established in the evolution of Indian economic life. What is more, the growth of the social organism is balked by powerful minorities holding it, as it were, in bonds for their advantage.

The importance of the village in our socio-economic life is expressed by Rabindranath Tagore as follows:

"Villages are like women. In their keeping is the cradle of the race. They are nearer to nature than towns, and are therefore in closer touch with the fountain of life. They have the atmosphere which possesses a natural power of healing. It is the function of the village, like that of woman, to provide people with their elemental needs, with food and joy, with the simple poetry of life, and with those ceremonies of beauty which the village

spontaneously produces and in which she finds delight. But when constant strain is put upon her through the extortionate claim of ambition, when her resources are exploited through the excessive stimulus of temptation, then she becomes poor in life, her mind becomes dull and uncreative, and from her time-honoured position of the wedded partner of the city she is degraded to that of maid-servant. While, in its turn, the city, in its intense egotism and pride, remains unconscious of the devastation it constantly works upon the very source of its life and health and joy."

### *7. The Village in India*

There are more than 500,000 villages in British India. On the basis of the census of 1921, the authors of the Montagu-Chelmsford Report estimated that 226 millions out of 244 millions of people live in these villages. Since the publication of that Report there have been several official documents in which the life of the people and their environment are described; and these accounts cannot but form an impressive count in the indictment against the systems—economic, social, and political—under which the Indian masses eke out their existence.

From time immemorial the people have lived in small villages, the mud houses<sup>1</sup> of which are huddled together in a more or less compact area situated in the midst of the fields which provide the means of livelihood to their

<sup>1</sup> "The huts were the usual boxes of mud, without windows or chimneys. On their flat roofs the people sleep in the summer."—H. N. Brailsford.

occupants. Most of the villages have not yet been touched by metalled roads or railways, post offices are many miles apart, illiteracy is the rule and not, as in Western countries, the exception, a resident middle class is almost entirely absent, and the cultivator has, as a rule, no one in his village to whom he can turn for advice, in the vast majority of the villages there are no such amenities as sanitation, a supply of pure drinking water or proper medical aid—these are some of the outstanding features of our rural environment as drawn by the Royal Commission on Indian Agriculture.

Our rural population comprises diverse types representing almost every stage of social development. But those who lose no opportunity in emphasising the diversities and differences that characterise Indian life should realise that the cultivator, by the virtue of community of interests, is the real link between one part of India and another. The identity of occupation and similitude of the structure of the village communities have developed somewhat uniform traditions in which one can discover elements of remarkable unity among the various types and tribes.

### *8 Principal Crops of India*

The principal crops of India are rice, wheat, millets, sugar-cane, cotton, jute, and oilseeds. The first four of these form a group classified as "food-crops," and the rest "non-food-crops" or "money-crops."<sup>1</sup> In regard to both the area and value of the output, rice holds the premier

<sup>1</sup> See Chapter I.

position. It is interesting to note that India exports rice to China, where it is also a staple food of the people. Wheat is our next important cereal, and its cultivation has considerably increased during the past twenty-five years. Millets are important from the point of their extensive use by the poorer classes.

Based on the prices ruling in 1930, the Indian Banking Enquiry Committee estimated the cash value of Indian crops at 1,300 *crores* (1 *crore* = £750,000) per annum.

But the observation of H.H. the Aga Khan that "the present condition of Indian agriculture and of the millions dependent thereon is the greatest and most depressing economic tragedy known to him" is confirmed by every impartial student of Indian rural economics.

Agriculture in India is, however, in a favourable position in regard to the potential world demand. In jute she has a monopoly; in tea we still hold a considerable share in the supply of the international market; in cotton we should be able to meet Lancashire requirements. The supply of increased demands for India's non-food-crops is of great benefit to the cultivator, provided the mechanism of marketing be simplified and properly regulated. The Imperial Council of Agricultural Research should thoroughly investigate the possibility of extending the area under non-food-crops for export or internal manufacture. This Council, in coöperation with the Indian Cotton Committee, should, for instance, formulate a definite plan for increasing our output of cotton; and such a plan, if successfully executed, should be able, within a period of five years, to satisfy Lancashire's demand for cotton in regard to both quantity and quality.

But what about feeding the growing population? Expansion of money-crops would still be to India's advantage even if she has to buy, if necessary, a quantity of her food-grains with her money-crops. In addition, however, she must increase her yield in grains by every possible means suitable to Indian conditions. The gradual extension of cultivation by removing existing limiting factors in bringing cultivable waste land into cultivation would be another way of insuring against insufficiency of food grains. The problem of feeding India's millions has to be solved mainly by establishing a close inter-relationship between production and distribution. In formulating a general economic plan for India, one of the essential tasks to which the Administration must pay attention would be to establish an organic relation between the processes of production and distribution.

Since India's external commerce consists largely of her export of agricultural produce, the maintenance and improvement of this link with the world market must of necessity be an essential condition of the prosperity of our peasantry. In order to achieve this end, the entire mechanism of the marketing of agricultural produce requires to be controlled and adjusted in the interests of the primary producer. Here he is faced with organised groups of buyers, ranging from petty brokers to commercial agents, and, in consequence of such handicaps as heavy indebtedness, illiteracy, lack of effective assistance from the State, he is unable to safeguard his interests against them. There is no proper organisation among producers which may secure the necessary facilities for marketing their crops. Between the cultivator and the

market there exists a chain of middlemen who control largely the mechanism of marketing agricultural produce. The assistance of intermediaries is indispensably necessary in the economic organisation of the modern world; but the conspiracy of circumstances places the primary producer during the harvesting seasons in the hands of petty brokers, accredited commercial agents, money-lenders, rent-collectors, and others from whom he is unable to protect himself. One of the means of removing the disabilities under which the cultivator labours in selling his produce is to establish regulated markets. The Royal Agricultural Commission held the view that the establishment of such markets in important tracts "must form an essential part of any ordered plan of agricultural development" in India.

A serious drawback in the development of internal and external trade is the inadequacy of good communications, and so far "the Indian Administration has lagged woefully in the provision of adequate road construction." The evidence given before, and the enquiries made, by the Royal Commission on Indian Agriculture show that the condition of the roads in India has deteriorated in recent years, although "all roads, except those of military importance, are a transferred subject in the major provinces" since the introduction of the Reforms of 1919.

Since the entire structure of Indian national economy depends on agricultural occupation, let us examine, for a better understanding of the part played by agriculture in the life of the people, some of the essential factors that determine the progress of this basic industry of the country. Complete analysis of the factors of production

and distribution would necessitate the citation of a vast number of concrete facts. We shall confine our observations to the three main factors of production, namely, Land, Capital, and Labour. If we find these factors wasteful, uneconomic, and inefficient, it would not be difficult for us to visualise their influence on rural life and labour as a whole.

### 9 Land

#### (a) AREA

The primary factor in agricultural production is land. The total area of arable land in British India is about 432 million acres, of which 155 million acres (about 36 per cent) are cultivable waste, 49 million acres (about 11 per cent) annually lie fallow, and 228 millions (about 53 per cent) are sown with crops. The food requirements of the vast population, as well as the demands of the industrial world, have to be provided for from 228 million acres. But is this unit of production exploited efficiently and economically?

#### (b) YIELD

Sir Walter Layton, who was the financial adviser to the Indian Statutory Commission, says "An index of production is one of the first steps which we need to take in the diagnosis of the economic situation of a country." The average outturn of rice, one of the principal staple foods of India, is only 700 to 1,000 lb per acre. In Japan the yield is twice, and in Italy and Spain five, times as much. The yield of wheat is as low

as 575 to 760 lb. per acre—that is, about one-third of the average outturn in the United Kingdom. The trend in yield of wheat does not show any marked improvement. On the contrary, if you compare the average yield in the years 1909-13 with that of 1920-30, you will find a decrease of about one bushel per acre. During the decade 1920-30, the total acreage has, however, increased by about four million acres, as a result of the extension of irrigation, chiefly in the Punjab. India obtains about one ton of sugar per acre, as against four tons in Java. Our cotton fields yield only 80 to 100 lb. of ginned cotton per acre; the average in the United States is 200 lb. and in Egypt as high as 450 lb. *Per capita* actual production is about half of that in other civilised countries.

In a densely populated country with undeveloped industries the yield per acre is all-important. While India as a whole is still in the subsistence stage, she is brought into contact with world commerce. Therefore it is of the utmost importance to increase her agricultural production, not only for national security in regard to food-supply, but for competing successfully in the world market.

The low productivity of Indian soils is indicated by the average outturns of some of the principal crops. If it is true that the chief of all the nation's resources is the fertility of the soil, then this fund of wealth is almost depleted in India, although we may seek some consolation in the assurance of the Royal Commission on Indian Agriculture that "a balance has been established, and no further deterioration is likely to take place under existing conditions of cultivation." But how long, one may ask,

can this balance be maintained? The population problem is closely related to the questions of the production of the basic needs of food, shelter, and clothing. In less than thirty-five years (1894-1927) the population of Japan has increased by 53 per cent, but during the period food production has shown an increase of 56 per cent. Since the production of cereals has increased only by 41.5 per cent, the Government of Japan are now paying special attention to the cultivation of rice. In recent years, the average yield of rice shows a perceptible improvement, reaching figures as high as 60 per cent. Similar instances of increased food production could be cited here from the economic history of other advanced countries. This development depends largely on the use of essential plant nutrients supplied to the soil through various manures. While in regard to soil fertility we have established a "balance," most of the neighbouring countries have not only well maintained the fertility of much of the cultivated lands but have increased their resources by judicious application of manures and fertilisers.

#### (c) SUB-DIVISION AND FRAGMENTATION OF LAND

One of the distressing symptoms of the uneconomic character of cultivation in India is the sub-division and fragmentation of agricultural holdings. The size of the average holding is about five acres. The Reports of the Banking Enquiry Committee show that the average holding is becoming smaller, and that there are instances of its reaching a point far below the economic level. Dr. Mann's investigation of a village near Poona showed that in 1771 the average holdings were 40 acres, but in

1915 the average shrank to 7 acres.<sup>1</sup> Can this holding provide a bare living for a peasant's family in the Deccan? In Bengal the average size of a holding is about 3 acres, and in the United Provinces only 2.5 acres. In the Punjab "22.5 per cent of the *cultivators* cultivate 1 acre or less; a further 15.4 per cent cultivate between 1 and 2½ acres; 17.9 per cent between 2½ and 5 acres; and 20.5 per cent between 5 and 10 acres. Except for Bombay, all other provinces have much smaller average areas per cultivator."<sup>2</sup> In addition to the evils arising out of the sub-division of the holdings, the disastrous process of "fragmentation" has given rise to a situation which is fraught with grave economic consequences. In the Punjab a beginning has been made to attack the problem through coöperative societies; but the scheme deals with fragmentation only and not with excessive sub-division. A word of explanation in regard to "sub-division" and "fragmentation" in agricultural land may here be necessary. A holding at the death of the holder is not only divided in accordance with the Hindu law of inheritance, it also becomes broken up into plots of different sizes scattered throughout the arable lands of the village, because the original holding was not in a ring-fence but was itself made up of separate strips of land much like the "common field" system formerly prevalent in parts of England and also on the Continent and in Russia. The former process is called "sub-division," and the tendency to have a holding split up into tiny scattered

<sup>1</sup> See *Land and Labour in a Deccan Village*, by Dr. Harold Mann, vol. 1.

<sup>2</sup> From the Linlithgow Report on Indian Agriculture.

plots is known as "fragmentation." Thus the method by which the law is carried into effect in relation to the division of cultivated fields is economically unsound. If a cultivator has three sons and three separate plots, it is customary not to allot one plot to each son, but one-third of each plot to each son. The holdings are thus divided into plots of an incredibly tiny size, rendering their effective cultivation impossible. In a district of the Bombay Presidency "the size of individual plots is sometimes as small as  $\frac{1}{12}$ th of an acre, or 30 $\frac{1}{2}$  square yards, in the Punjab, fields have been found over a mile long and but a few yards wide, while areas have been brought to notice where fragmentation has been carried so far as effectively to prevent all attempts at cultivation."<sup>1</sup>

The Government realise the urgency of removing such an uneconomic feature from the Indian land system, but they consider effective measures impracticable until a fully responsible Government comes into existence. When India will attain a *fully responsible* Government one cannot predict, but it cannot be maintained that the present Government have no special responsibility in this direction. It is held that "the interpretation of the Hindu law of inheritance by Anglo-Indian judges has tended to encourage the partition of estates, and hence to produce sub-division of the land, and to break up the joint family system." A recent observer writes: "Sub-division and fragmentation have increased rapidly in the past few decades, partly as a result of imported Western ideas of individualism and private property, before which

<sup>1</sup> See p. 134, the Linlithgow Report on Indian Agriculture (1928) Cmnd 3132

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the joint family and the old communal village, with their coöperative rather than competitive ideals, have broken down."

For several years past much attention has been paid to this serious obstacle to agricultural improvement by Indian administrators and economists; the Royal Commission on Indian Agriculture five years ago stated that the evil effects of fragmentation of holdings are so great that "the Administration should not rest until a remedy has been found." And yet the majority of our politicians and legislators have shown no determination to remedy the evil by modifying certain antiquated social laws which still operate in our land system. Some years ago an English writer said:

"The longer one lives, observes, and thinks, the more deeply does he feel that there is no community on the face of the earth which suffers less from political evils, and more from self-inflicted or self-accepted or self-created, and therefore avoidable, evils, than the Hindu community."

May our future legislators realise that until the holdings are consolidated no great advance can be made possible in the direction of agricultural development in India.

### *(d) THE INDIAN LAND SYSTEM*

Then, the systems of land tenures are so complex that they must be modified to meet the needs of a rational agrarian economy. It is now being realised that the existing systems lack some of the basic elements that have made the English system durable to the tenants. In some provinces the land tenures still retain most of

the characteristics of an administration which preceded the advent of British rule in India. There are indications of agrarian discontent in the country which no Government can afford to ignore.

The agrarian problem is invested with a peculiar interest and importance in India. Broadly speaking all other factors concerning the peasantry are dependent on, and subservient to, the whole question of land tenures. Whatever form future government in India may take, this difficult question must be inevitably raised by the compelling forces of circumstances, consequent upon increasing population and the social and economic changes that are taking place to-day.

There are two main systems of land tenure in India—the *ryotwari*, or peasant proprietorship, and the *zamindari*, or landlord proprietorship. Under the former, the cultivator generally pays the revenue direct to the Government. I say generally, because in many *ryotwari* parts the original holders let and even sublet their holdings, and hence it is no longer always the actual cultivator who is assessed by the Government. The *zamindari* system has been well described as an 'attempt to approximate the Indian to the English land system.' As a matter of fact, it was carried further when the Government assessment was made permanent and unalterable, in order to build up a yeoman class. The system has not only failed to accomplish its object, but it has raised both economic and constitutional problems of no mean order. The existing land tenure systems in India have led to the creation of a horde of intermediaries, among whom the interest in the land is purely a matter of speculation,

as a means of reaping the incremental value without labour. Thus money-lenders, petty dealers, successful lawyers, indigenous bankers, Government officials, and even teachers, seek to swell the ranks of non-cultivating landlords!

In the English sense, landlords do not exist in India. When the government was first undertaken by the East India Company no attempt was made to understand the social system upon which the land revenue was based. The so-called landlords are, in the words of H.H. The Aga Khan, "the accidental intermediaries between the owner-state and the lessee-subject." By introducing the system of permanent settlement into Bengal in 1793, the early administrators transmuted the function of their rent-collectors into that of landowner, partly for convenience and partly from a desire to create that system of landlordism which was then working so well in England. In other words, the system came to us without any of those outstanding elements of polity which were its accompaniments in the countries of its birth.

Within thirty-five years of the introduction of the permanent settlement in Bengal, it became clear to those who could disinterestedly judge its effects upon the peasantry that the system was prejudicial to the interests of the tillers of the soil. From the evidence of Rajah Rammohun Roy,<sup>1</sup> before the Select Committee of the House of Commons in 1831, I make the following extract:

<sup>1</sup> Indian social and religious reformer (b. 1774, d. 1833); founded the Theistic Church; supported the abolition of *sati* (self-immolation of a wife on the funeral pyre of her husband); and worked ceaselessly for the rapid spread of education among his countrymen. He died at Bristol while on a visit to England.

"In practice, under the permanent settlement since 1793, the landlords have adopted every measure to raise the rents by the means of the power put into their hands. In former times, *Khud-kashi ryots* (i.e. cultivators of the lands of their own village) were considered as having an absolute right to continue in the possession of their lands in perpetuity on payment of a certain fixed rent, not liable to be increased. But under an arbitrary Government, without any regular administration of justice, their acknowledged rights were often trampled upon. From a reference to the laws and the histories of the country, I believe that lands in India were individual property in ancient times. The right of property seems, however, to have been violated by the Mohammedan conquerors in practice, and when the British power succeeded that of the Mohammedans, the former naturally adopted and followed up the system which was found to be in force, and they established it both in theory and practice."

A British official, Mr A D Campbell, said before the same Committee that

"In the lower provinces of Bengal the permanent settlement enabled the *zemindars*, by ousting the hereditary cultivators in favour of the inferior peasantry, to increase the cultivation by a levelling system which tended to depress the hereditary yeomanry or middle ranks of the community, and to amalgamate them with the common labourers and slaves, from whom the highest judicial authorities in Bengal are now unable to distinguish them."

The creation of a landlord class and the privileges conferred on them gave rise to a series of agrarian complications which necessitated legislative interference, but

the measures taken since 1859 are, at best, a sort of make-shift, and cannot successfully mitigate the evils of the system. The cultivators are too poor and timid to undertake the hazardous and expensive enterprise of seeking redress from the law courts. The Government now hope that a revision of the entire land system of the permanent settlement areas will come about as an expression of the popular will when the responsibility of administration has been transferred to a fully autonomous Government. Indeed, the first duty of the Bengal Government must be to restore to the cultivator his right of property in his own land. But will the landlords consent to part with so dearly prized a power conferred upon them by the exigencies of circumstances during the early period of British rule?

The existence of increasing numbers of landless agricultural labourers and of tenants without land rights in the United Provinces, where recently there have been some agrarian troubles, is a source of disastrous conflicts between the agrarian and rural plutocrats, that is, between the labourers and their masters.

The agricultural population of the United Provinces may be classified as follows:

Tenants with no occupancy right	..	10,250,000
Tenants with some occupancy right	..	10,500,000
Sub-tenants	.. .. ..	2,000,000
Labourers	.. .. ..	4,500,000
<hr/>		
Cultivating owners	..	3,000,000
Non-cultivating owners		500,000
<hr/>		
		3,500,000

The census shows that the agricultural labourer forms about 18 to 20 per cent of the total population. What is the position of these millions? They depend for their bare subsistence upon their wages, their wages depend on the demand for their labour, and that demand upon the nature and extent of agricultural operations which are subject to considerable fluctuation. In many instances they are in a state of little short of slavery.

The process by which the cultivators are being thrown into the ranks of the landless labourer in India is typical of what happens as a result of failures in adjusting the various interests in the social and economic life of a country. The security of an established government, the increasing accumulation of capital and trade in the hands of Indian merchants but the absence of adequate opportunities for its investment in industries, and the introduction of the system of land tenures and land laws—all these inspired our middle classes with a desire to possess "interests" in land. Thus they join the ranks of rural plutocrats, and the lower swells the ranks of rural proletarians. If nothing happens to check this process, all attempts at maintaining a peaceful government in India must fail.

The magnitude and gravity of the problems arising out of the Indian land system are realised by those who have carefully observed the various phases of Indian economic life. Five years ago, the British Government sent a Commission to India under the chairmanship of Lord Linlithgow. His report surveyed the entire problem of Indian agriculture, yet the subject of land tenures was not included in the terms of reference. But the noble

Marquess divined their critical importance. In the course of the Indian White Paper debate in the House of Lords, his Lordship declared his belief that the real peril of too hasty reforms was not the future of the British-Indian connection, which was assured, but the future of the relationship between the vast, illiterate, unpropertied masses of India and the propertied classes.

## 10. *Capital*

### (a) AGRICULTURISTS' RESOURCES

The capital resources of the Indian peasantry are extremely slender. The farm "implements" are primitive and consist of one or two ploughs, bullock gear, and in some instances water-lifts. The country plough is a most simple wooden tool with a pointed iron ferrule at the toe. In shape it closely resembles a light anchor; one claw goes into the ground at such an inclination that the other is nearly vertical and serves as a handle for the cultivator; the shank is the plough-beam, to which bullocks are attached. There is no share coulter or breast; the pointed end only stirs the earth and does not turn the soil. Seed is saved by the cultivator from the harvest or bought from the village shop, generally run by a money-lender. Farmyard manure, if it is not diverted to consumption as fuel, is used in the fields.

By far the largest amount of the capital of the Indian peasantry is invested in livestock. Here again we are faced with a problem rendered extremely difficult by its association with religious outlook. The cow is held sacred by the Hindus, and therefore measures designed to

introduce rational management of cattle are not always looked upon with favour. The excessive cattle population, the overstocked grazing lands, the inadequate supply of fodder crops, and the present condition of breeding stocks—all these clearly indicate the urgency of cattle improvement in India. So long as the process of deterioration goes on unchecked, it will be almost impossible to make any substantial changes in rural economy. Cattle supply labour for the cultivation of crops and for the transportation of grain and other farm products from the village to the market, they are the principal source of manures, and in a country where the bulk of the population is vegetarian, milk and its by-products form an important part in the dietary. But, while the livestock population of India is so vast, its quality is generally very poor, rendering this unit of production inefficient and uneconomic. There can be no hope of any substantial improvement in Indian agriculture unless animal husbandry is adequately developed. And yet the allotment of necessary funds for livestock breeding and veterinary research in the central and provincial budgets of the Government is extremely meagre. I feel that the great importance of cattle in Indian rural economy has not been fully appreciated by those in whose hands so far the responsibility of cattle improvement of India has lain, and I am frankly doubtful about any substantial progress in the near future. Since the publication of the Report of the Royal Commission on Indian Agriculture, the retrenchment axe of our expensive Government was at once aimed at the very modest beginning which had been made in the direction of planning a comprehensive

policy of livestock improvement. Now that a new and more expensive constitutional edifice has been built, it is doubtful whether it will be possible to take any substantial measure in the direction of improving Indian livestock.

Apart from the consideration that the average Indian cattle are uneconomic as a unit of production, their deterioration has a disastrous effect on the health of the people. It was the realisation of the interdependence of cattle improvement and rural health, and of the importance of cattle in Indian rural economy, that induced the authors of the Report of the Agricultural Commission to devote their lengthiest chapter to animal husbandry. It was hoped that at last the Government of India would frame a definite policy for the improvement of livestock; but five years have elapsed, and we see no sign of such a vigorous action. The number of stock units in proportion to population is extraordinarily high; therefore the pressure on the fodder supply is increasing. Add to this the problem of notoriously deficient fodder crops, and you have a picture of the vicious circle. Is there any way out of it? Are we to wait for a sound livestock policy till the "New Jerusalem" of Federal India is built?

#### (b) INDEBTEDNESS

It has been truly said by those who have investigated the problem that the Indian peasant is born in debt, lives in debt, and dies in debt. The circumstances that are responsible for the increase of this intolerable burden of indebtedness of our peasantry arise, in the main, from the backwardness of agriculture and excessive pressure

on the soil. Our rural population suffers not so much from unemployment as from under-unemployment. It was to meet this situation that the Indian National Congress sought to encourage hand-spinning and -weaving.

The low income derived from agricultural occupation does not leave much margin for supplying capital even for seasonal requirements. Where a margin exists at all, it is so precarious that in the event of a failure of crops or a fall in prices the cultivator has to depend on borrowed capital for carrying on his sole occupation of farming. "One of the greatest evils connected with agricultural life in India is the indebtedness of the people, and the difficulty that they have in obtaining command of capital for carrying on agricultural work and effecting improvements on anything like reasonable terms," writes Sir Andrew Fraser,<sup>1</sup> an ex-Lieutenant-Governor of Bengal.

The attention of Parliament was first drawn to the meagre resources of our peasantry by the *peasants themselves*, who rose in revolt in the Deccan. A Commission was appointed in 1870 to enquire into the causes of the Deccan riots, and in their Report they observe

"We have endeavoured to show that the normal condition of the bulk of the *riots* in the disturbed districts is one of indebtedness, that owing to the causes, some natural and others the result of our administration or of internal circumstances, this indebtedness has grown to an extreme point during the twenty years preceding the riots. About one-third of the occupants of the Government land are embarrassed with debt, their debts average

<sup>1</sup> *Among Indian Rajahs and Riots*, by Sir Andrew Fraser, 1911.

about eighteen times their assessment, and nearly two-thirds of the debt is secured by mortgage of land."

The state of affairs described here is true not only of the Deccan but of other rural areas of India. Thus the Famine Commission of 1880 wrote: "We learn from evidence collected from all parts of India that about one-third of the land-holding class are deeply and inextricably in debt, and that at least an equal proportion are in debt, though not beyond the power of recovering themselves." The statement was substantiated by the Famine Commission of 1901.

In their Report, the Indian Central Banking Enquiry Committee (1930) estimated the total rural indebtedness of British India at about 900 *crores* (1 *crore* = £750,000). The serious features of this crushing burden of rural indebtedness are that a portion of it is incurred for unproductive purposes, such as social and religious obligations, and that the rate of interest is excessively high. The United Provinces Banking Enquiry Committee estimate that 30 per cent of the debt is spent for agricultural needs, 34 per cent is definitely due to poverty, and 36 per cent to social and religious customs.

The principal source on which our peasantry is dependent for loans is the professional money-lender,<sup>1</sup> and it is not possible, in the present state of India, to dispense with his services. Nor is it easy to control his practices, which result in great evils. On the contrary, under the existing judicial and revenue systems, his position has been greatly consolidated. In India, provisions exist for advancing money to the cultivator by

<sup>1</sup> Indian names of this class are: *Mahajan, Sowcar, Bania*.

the State, but he dreads the formalities, the tricks and cavils which subordinate officials have in store for him

(c) USURY

As regards the high rate of interest, the prevailing system followed by the money-lender results in great evils Adam Smith wrote in the *Wealth of Nations* as long ago as 1780 that "in Bengal money is frequently lent to the farmers at 40, 50, or 60 per cent interest, and the succeeding crop is mortgaged for payment" In 1913, the MacLagan Committee reported as follows: "The money-lenders' rates we have found in many places to be as much as 38, 48, and 60 per cent" The Banking Enquiry Committee found much the same state of affairs, and computed the total agricultural indebtedness of the people of Bengal, for instance, roughly as 100 crores of rupees (£75,000,000)

Usury has become an all-powerful and all-pervading evil which so far remains uncontrolled, notwithstanding a legislative attempt to fix a maximum rate of interest on loans

The distinctive characteristics of the growing class of *mahajans*<sup>1</sup> are rather unpleasant "It is the hard, unflinching cruelty of a thoroughly uneducated man who has made his way from poverty to wealth, and has come to consider money-making, by whatever means, as the only pursuit to which a rational being should devote himself" The above description of the money-lenders of Russia in the nineteenth century is generally applicable

<sup>1</sup> Money-lenders

to the ever-increasing number of recruits to the ranks of the money-lending profession in India. The rate of interest charged by the *mahajan* varies according to the character of the loan and credit of the borrower.

(d) EFFECT OF HEAVY INDEBTEDNESS

The situation caused by the character and extent of rural indebtedness has a serious reaction upon the entire rural life and labour. "The steady absorption of rights in land places the money-lender in a position of uncontrolled power," declared the Agricultural Commission, "and uncontrolled power is almost invariably abused." The Report further says: "To a very great extent the cultivator in India labours not for a profit, nor for a net return, but for subsistence. The crowding of the people on the land, the lack of alternative means of securing a living, the difficulty of finding any avenue of escape, and the early age at which a man is burdened with dependents, combine to force the cultivator to grow food wherever he can and on whatever terms he can. Where his land has passed into the possession of his creditor, no legislation will serve his need; no tenancy law will protect him; for food he needs land, and for land he must plead before a creditor, to whom he probably already owes more than the total value of the whole of his assets. That creditor is only interested in the immediate exploitation of the property in his control."

The transference of land from the cultivator to the money-lender is one of the distressing factors that affect

the welfare of the Indian masses "The establishment of civil courts, wherein the creditor could obtain legal decrees for the whole of the debt that stood in his books against the debtor, and the power of selling the debtor's land under these decrees, have enormously increased the power of the money-lender, and have made it infinitely more difficult for the cultivator to escape from a load of debt, once incurred."<sup>1</sup>

Social and economic surveys of villages in different parts of India reveal the increasing acquisition of land by money-lenders on account of the indebtedness of the cultivators. Rural money-lending has become such a lucrative profession that it is no longer confined to any particular castes or groups, agriculturists and petty traders have also joined the ranks. The rich professional money-lender's means and methods of business were bad enough, but "a poor man that oppresseth the poor is like a sweeping rain that leaveth no food."<sup>2</sup>

Then, the cultivator has often to sell his crop far below the market price to his money-lender, who is also, in many instances, a trader. Even in the regulated markets established with the object of protecting cultivators' interests the money-lender-cum-trader wields a great power over his debtor. A Russian author tells us that the peasants in Czarist Russia themselves are convinced that when a fellow has once been caught by the rural usurer, he must remain in bondage to the end of his days. This is true also in the case of the Indian peasantry. Once he is caught in the net of accumulated interest, only in rare cases is

<sup>1</sup> *India—The Next Phase*, by Sir Stanley Reed and P. R. Cadell

<sup>2</sup> Proverbs xxviii. 3

he able to extricate himself from this bondage. What is worse, the credit given sometimes assumes the hypothecation of future labour. During our labours on the Royal Agricultural Commission, our attention was drawn to a system known as *kamiauti* which prevails in the north of the Hazaribagh district and in the Palamau district of Chota Nagpur and in some parts of Bihar, and which is practically one of cultivation by serfs.

"*Kamias* are bound servants of their masters; in return for a loan received, they bind themselves to perform whatever menial services are required of them in lieu of the interest due on the loan. Landlords employing labour for the cultivation of their private land prefer to have a first call on the labourers they require, and hence the practice arose of binding the labourers by means of an advance, given conditionally upon their services always remaining at the call of the landlord for the purposes of agriculture. Such labourers get a daily wage in kind for those days on which they work for their creditor, and may work for anybody else when they are not required by him. In practice the system leads to absolute degradation of the *kamias*. In the first place, the *kamia* cannot bargain about his wages; he must accept the wage that is customary for landlords to give to his class. The wages represent only one-third of the day's wage for free labour hired, for example, by a contractor for road repair work. If the *kamia*'s wife also works for his master, she receives a slightly smaller remuneration; and their joint wages are not sufficient to feed properly themselves and the normal family of children they are certain to possess. The *kamia* never sees any money, unless it be the occa-

sional few pice he may earn in his spare time Consequently he has no chance of ever repaying the principal of his debt and becoming a free man again A *kariauth* bond therefore involves a life sentence

"The condition becomes hereditary. Although the son is not responsible for his father's debts after his death, a new debt is always contracted on behalf of the son on the occasion of his marriage, which renders him also a *karma* for life Daily work is not guaranteed by the master, and no food is supplied when there is no work to be done. The result is that the master takes the *karma*'s labour at a sweated wage for most of the year, but at a time when there is no agricultural work to be done and the *karma* has least chance of getting any daily employment elsewhere, he is left to shift for himself as best he can. He is even free to get work wherever he can, but cannot leave his village for any time in search of it for fear that he might abscond. Actually, he is reduced to earning the most miserable existence by collecting fuel and grass for sale. The restriction of his movements renders the *karma* nothing better than a slave. An absconding *karma* is unable to find an asylum in any part of the area where the system is prevalent. The sale and purchase of *karmas* is by no means uncommon in the north west of the district. The price is the amount of the *karma*'s debt."<sup>1</sup>

<sup>1</sup> See *Final Report on the Survey and Settlement Operations in the District of Hazaribagh (1908-15)*, by Sir James Siston, KCSI, KCIE ICS (quoted in the Linlithgow Report on Indian Agriculture, 1928 (Cmd 3132), p 434)

## II. *Labour*

### (a) RURAL HEALTH

The third factor of production is labour. Here we are faced with an appalling amount of general ill-health and specific disease, and consequently lethargy and loss of efficiency. Visit a village in Bengal—you will not fail to see the weakening effects of malaria on its victims. Malaria, malnutrition, and the *mahajan*<sup>1</sup> are the three permanent companions of the Bengal villager. That is not all. Hookworm, kalazar, cholera, and a group of deficiency diseases are permanently housed in the villages.

Death takes a heavy toll. To the victim he is a redeemer. We are concerned with the economic aspects of early death. The Indian adult dies just at an age when he may be making a little contribution to the economic life of the community. The average longevity of men in India is 24.8 years. If we deduct 14 years for growth, the formative period of an Indian's life is about 11 years as compared with 36 years in most other civilised countries.

The All-India Conference (1926) of Medical Research Workers recorded its considered opinion that the annual deaths from preventable diseases amount to about 6 millions; that almost every individual loses two to three weeks every year through illness caused by these diseases; and finally, that the loss of efficiency from malnutrition and disease is not less than 20 per cent. The resolution passed at that Conference runs as follows:

“This Conference believes that the average number of deaths resulting every year from preventable disease is

<sup>1</sup> Money-lender.

about 5 to 6 millions, that the average number of days lost to labour by each person in India, from preventable disease, is not less than a fortnight to three weeks in each year, that the percentage loss of efficiency of the average person in India from preventable malnutrition and disease is not less than 20 per cent, and that the percentage of infants born in India who reach a wage-earning age is about 50, whereas it is quite possible to raise this percentage to 80 or 90. The Conference believes that these estimates are understatements rather than exaggerations, but, allowing for the greatest possible margin of error, it is absolutely certain that the wastage of life and efficiency which results from preventable disease costs in India several hundreds of *crores* of rupees each year. Added to this is the great suffering which affects many millions of people every year.

"This Conference believes that it is possible to prevent a great proportion of this waste at a cost which is small in comparison with the expenditure.

"The recent census shows that the position of India is one of grave emergency. The Conference recognises that the problem is very complicated, and involves not merely medical research, but also questions of public health, medical relief, medical education, propaganda, and social and economic considerations.

"The Conference believes that the frequent cause of poverty and financial stringency in India is loss of efficiency resulting from preventable disease, and, therefore, considers that lack of funds, far from being a reason for postponing the enquiry, is a strong reason for immediate investigation of the question."

It is not surprising that our rural population should have lack of resistance to disease and so little recuperative reserve. It was due to the low vitality of the people that the influenza epidemic of 1918 reaped a harvest of over 14 millions in the course of a very short period. The unparalleled poverty means under-nourishment; and the investigation into the problems of diet values and the relation of diet to disease, shows that the bulk of the people suffer from malnutrition. Sanitation in rural areas is practically non-existent; the village tanks are often full of all sorts of abominations; and there is no other source of water supply for drinking and bathing purposes. Where wells exist, they are unprotected and liable to be polluted.

(b) THE PEASANTS' "DAILY BREAD"

The low outturn of cereals, already referred to, means a bare sufficiency of food for India's population. Allowing only about 4 per cent for exports, the production of food-crops—grains and pulses—provides a daily ration of about 1.2 lb. per head of the population. The ration allowed in prisons in India is 1.7 lb. for a prisoner on hard labour. The standard allowance, in times of famine, for diggers on relief works is 1.29 lb. It may be safely concluded that the diet usually consumed by the villager is deficient in both quantity and quality.

According to those who have had occasion to observe closely the daily life of the people, "between 30 and 40 millions of the population probably do not have more than one meal a day and live on the verge of perpetual starvation."

An Indian economist<sup>1</sup> came to the conclusion, after an extensive enquiry, that the cost of food, on the basis of the jail diet provided in the Indian prisons, is about Rs 90 per annum, but it is known that the gross income per head is much less than this amount. Taking into account the price-level of the post-War period, the average income per head in British India does not exceed Rs 70 ( £5 5s ). The problem before us is not so much to be self-sufficient in matters of cereal requirements, or to impose restrictions on the export of food grains, but to rehabilitate our economic life in such a manner that there may be a general rise in income per head of the population. India, if necessary, must be in a position to buy a portion of her food from the world market.

The normal diet of the people consists mainly of cereals such as rice, wheat, and millets. The predominance of starch and general deficiency in fats and proteins render the diet unsatisfactory.

In his evidence before the Royal Commission on Indian Agriculture, Lieutenant-Colonel Sir R. McCarrison asserted that about 80 per cent of the Indian population suffered from malnutrition, and that it was one of the most potent causes of disease in India.

On all grounds, including the maintenance of the economic efficiency of our rural population, it is of the utmost importance that our attention should be concentrated upon improving the quality of the normal Indian diet. If caste prejudices and customs present difficulties in the way of food reform there must be an organised effort to educate the people. The future Governments of

<sup>1</sup> Professor K. T. Shah

India have a special responsibility in this direction, for the maintenance of a virile and progressive rural population is a matter of vital importance, not only from the point of view of labour efficiency, but also of India's defence.

(c) RURAL EDUCATION

Most of the ills of rural India can be ascribed to ignorance and illiteracy. But the policy of the Government in regard to mass education in India can only be described in the words of Lord Lawrence's foreign policy: "masterly inactivity." In the famous education despatch of 1854, the importance of mass education was duly emphasised; the Indian Education Commission (1883), after describing the disabilities due to illiteracy, observed that "the only fitting remedy for the present state of things is a wide extension of primary and secondary education."<sup>1</sup>

In framing its educational policy, the Government of India relied on the diffusion of education through those to whom the facilities of learning were offered. In the middle of the eighteenth century, three Presidency Universities came into existence in the hope that education might percolate from the middle-class gentry to the masses of India. But the system of higher education and the opening of means of material progress to the educated classes produced an almost impervious layer between them and the masses, and thus the famous "filtration theory" proved to be a failure in practice. A practical statesman like the Earl of Mayo realised the futility of depending upon this theory for the spread of education

<sup>1</sup> Indian Government Publication—Calcutta Press.

among the masses "I dislike this filtration theory," he said, "we have done nothing towards extending knowledge to the millions. Let the Baboo learn English by all means. But let me also do something towards teaching the three R's to rural Bengal."<sup>1</sup>

The truth is, the Government, since the Mutiny, have had to frame their policies with the object of laying the foundations of peace and administrative efficiency, and they endeavoured to enlist the support of a section of the people in consolidating their position in India. The education of the masses was thus neglected, and even when its need was realised the efforts were abortive. Lord Curzon went to India with the zeal of a reformer. That mass education was of the utmost importance to the maintenance of administrative efficiency, and to the development of material resources of India was put forward by His Excellency at the Educational Conference at Simla, 1901. "What is the source of suspicion," he asks, "of superstition, outbreaks, crimes—yes, also of much of the agrarian disorder and suffering among the masses? It is ignorance. And what is the only antidote to ignorance? Knowledge."

Some of the Indian Liberal statesmen repeatedly urged on the Government the need of adopting a bold policy in regard to mass education. His Highness the Aga Khan in addressing the Imperial Legislative Assembly made an appeal in the following words:

"My Lord, has not the time come for the commencement of some system of universal primary education, such as has been adopted by almost every responsible Govern-

<sup>1</sup> Letter quoted in Hunter's *Life of the Earl of Mayo*

*Land, Labour, and Life of the Indian Peasantry*  
ment? The extreme poverty of this country has recently been much discussed both here and in England, and all sorts of causes have been found and given to explain the undoubted fact. But, my Lord, in my humble opinion, the fundamental cause of this extreme poverty is the ignorance of the great majority of the people."

In 1911, the late Mr. Gokhale initiated a nation-wide movement for compulsory primary education. Since that date the demand has become insistent, but the amount of success achieved in the introduction of primary education, especially in rural areas, is unsatisfactory. The Government and the educated minority approached the problem half-heartedly, and there have been no sustained efforts to surmount the difficulties which blocked the way to progress. The main obstacle was, however, financial. In 1912, His Majesty the King expressed his desire for "a network of schools" throughout his Indian Empire, so that, to quote His Majesty's own words, "the homes of my Indian subjects may be brightened, and their labour sweetened by the spread of knowledge with all that follows in its train, a higher level of thought, of comfort, and of health."

Under the Reforms Act of 1919, the administration of the Department of Education passed into the hands of a Minister appointed from the elected members of the provincial council. But this "popular control" of education did not effect any significant progress of the mass education, excepting the fact that eight provincial legislatures have passed Primary Education Acts in the hope that the local self-governing bodies will avail themselves of the opportunity of introducing "compulsory" primary

education within their jurisdictions. The figures showing the areas in which compulsion had been introduced by the year 1929-30 are indicative of the diffidence and apathy that characterise the policy of primary education in India. Will the situation improve under the new constitution? The poverty of the local self-governing bodies and the state of semi-bankruptcy of the provinces will continue to furnish an excuse for leaving the minds of our rural population "clogged with superstition and dark with ignorance."

## 12 *The State and Rural Life*

Not long ago a prominent English journalist said that India was a land of missed opportunities. Judged solely by the efficiency of the central factors of agricultural production, such as land, capital, and labour, I am convinced that agriculturally India is almost in a state of bankruptcy. The fertility of its cultivated areas has nearly reached the minimum level, the outturn per acre or *per capita* is low, agricultural operations are usually carried on from year to year with borrowed capital at a high rate of interest, the quality of the cattle is poor, and the labour employed is inefficient from the economic point of view. I lay stress on these aspects of Indian agriculture, for the problem in relation to those who are engaged in the industry is primarily an economic one, although for the rural community as a whole and for the State there are other important features arising out of the backwardness of India's premier industry. The basic idea of every economic reform in India must be to raise

the standard of life of the peasantry; and unless every effort is directed to achieve this end there is a grave risk of the standard falling below the margin of subsistence.

The State Departments which have secured a label as nation-building are:

- (a) The Department of Agriculture.
- (b) The Veterinary Department.
- (c) The Department of Coöperative Societies.
- (d) The Department of Public Health and Sanitation.
- (e) The Department of Public Instruction.

The local administrative units functioning in rural India are:

- (a) District Boards.
- (b) Local or *Tahsil* Boards.
- (c) Union Boards or district "circles."

### *13. The Department of Agriculture*

That agriculture in India had a special claim upon the assistance of the Government was emphasised by the Famine Commissions of 1880 and 1901. But the foundation-stone of the agricultural progress of that vast sub-continent was not laid until the Viceroyalty of Lord Curzon. Since then the Central and Provincial Governments have developed extensive research organisations and are now in possession of useful information, the spread of which must, under the conditions obtaining in India, be very slow. For instance, improved varieties of crops recommended by research stations cover only some

10 millions of acres out of 228 millions under crop. Even in the Punjab, "where vast tracts of former dust have been conjured into fertility," out of 2½ million ploughs not more than 40,000 are of modern type. The truth is, the plough that is at once cheap, efficient, and suited to Indian conditions has not as yet been devised. The numerous technical problems relating to crops, tillage, application of manures, selection of seeds, irrigation, engage the attention of the Agricultural Department of British India.

The chief limiting factor to the spread of agricultural knowledge is finance. The expenditure of the Government for agricultural research and education is on a much lower scale than in some of the non-agricultural countries. The United Kingdom spends 1s 11d per 1,000 acres under crop and grass as against a halfpenny by the Government of India. The following table, showing the scale of expenditure of the Imperial and provincial departments of agriculture in British India in comparison with that of Great Britain and Italy, may be of interest to those who become lyrical about the Government's record in regard to the development of agriculture in India.

TABLE 7

	Per 1,000 of the Population	Per 1,000 Acres Cultivated
United Kingdom (1921)	Rs 960	Rs 1,380
Italy (1925-26)	255	184
British India (1924-25)	34	30

1 Re = 1s 6d

The figure for British India is not even equal to the subsidy which the Government have paid, and are still paying, to the Indian steel industry, "the spoiled darling of the Indian Government," under the Steel Industry Protection Act. Agriculture supports 224 millions against less than 300,000 maintained by the iron and steel industry. Such is the influence of urban oligarchy—organised, privileged minorities—over the Government of India.

### *14. The Royal Commission on Indian Agriculture*

Two years before the appointment of the Indian Statutory Commission His Majesty's Government sent a Commission to India with a view to discovering means of stimulating agricultural production, and to investigating "the main factors affecting the rural prosperity and welfare of the agricultural population." The Report of the Commission (1928) examined the entire problem of Indian agriculture and recommended a comprehensive programme of agricultural and rural development. The Provincial Governments accepted most of the proposals, but only hoped to take action as and when financial resources became available. The Central Government established a Research Council for the purpose of coördinating agricultural research. That important function of the Central Government had almost ceased with the introduction of the Reforms of 1919, and the provinces became isolated from each other in respect of research and general agricultural development. What is worse, the quality of the personnel of the Agricultural Service deteriorated, and almost all proposals for training Indians

in agricultural research were kept in abeyance for lack of funds. With the inauguration of the Research Council it became increasingly evident that for fundamental researches India (including the States) should be treated as a unit, that the scope for research in agricultural and veterinary matters was very great in India, and that central guidance (perhaps direction and control in some instances) was necessary under the conditions obtaining in India for an organised economic planning.

The scope for agricultural research in India may be realised from the following figures. The damage caused by insects and other crop pests is estimated at £135,000,000 annually, the minimum deterioration of rice due to defective storage is about 5 per cent, that is, India loses a total of 40 million *maunds*<sup>1</sup> valued at about 120 million rupees per year, the loss due to preventable mortality among cattle in the Punjab alone is about 4 *crores* a year. Then there is a source of incalculable loss to crop production in the poor quality of seed.

### *15. The Coöperative Movement*

The solution of the problem of heavy indebtedness was sought for by Lord Curzon's Government in the establishment of cooperative credit societies. The form of combination suitable to the agricultural industry in its various phases is the cooperative system, and it is so essential to the economic stability and social regeneration of our village population that the authors of the Royal Commission on Indian Agriculture say "If cooperation

<sup>1</sup> 1 *maund* = 82 lb.

fails, there will fail the best hope of rural India." The truth of this dictum requires no illustration. For a community of small cultivators, mutual assistance is only another name for mutual insurance. The coöperation is the means of realisation of common economic interest, out of which there must develop the spirit of service embracing all spheres of activities. Unfortunately, the coöperative movement in India has not, contrary to the expectation of its early sponsors, assumed the importance of a people's movement. Its success depends largely on official supervision and guidance, and whenever that vigilance is withdrawn the movement shows symptoms of deterioration. It is surprising that our politically minded class and social workers have not availed themselves of the opportunity the coöperative movement offers. In these small-scale coöperative efforts they would have discovered forces that would gradually lead to national coöperation. The movement has drawn within its fold more than  $4\frac{1}{2}$  million members, and there are over 120,000 coöperative societies with a working capital of about £75,000,000.

I am fully aware of numerous defects, deficiencies, even abuses that exist in the coöperative movement in India. Mistakes have been made, and at times the Government have pursued injudicious policies. But it must be asserted that, notwithstanding errors and shortcomings of the administration, the movement has prepared the ground for fruitful activities in the direction of rural development. An Indian publicist<sup>1</sup> recently stated that

<sup>1</sup> S. G. Warty, M.A., Secretary, Indian Institute of Political Science, Bombay.

from his study and intimate knowledge of cooperative societies and their federations he did not hesitate to say that the movement in India, as it stood at present, was a big fraud. One is tempted to ask the critics of the cooperative organisation in India how could they account for the apathy of our organised privileged classes, and, if there be some inherent weaknesses, why were they not rectified under the reforms when the responsibilities for the guidance of the movement rested with Indian Ministers?

#### *16. The Department of Public Health and Sanitation*

There is, perhaps, no other body of public servants in India whose records of service have been so noteworthy in the face of a formidably difficult situation as those of the officers of the Department of Public Health and Sanitation. Illiteracy, extreme poverty, religious and social customs, aversion to Western medical and sanitary measures, and lack of requisite funds—all these militate against the rapid success of the labours of Indian Public Health officers. 'In rural areas,' writes Lord Linlithgow, 'the fringe of the problem has hardly been touched.' But, to quote the words of Lieutenant Colonel Dunn, 'if the laws of health were regarded in India to the same extent as in England, and the same proportion of money was spent on public health, the death rate in India would be no larger than in England.'<sup>1</sup>

<sup>1</sup> See *Indian Journal of Economics* January 1924

## 17. *The Need of Coördinated State Activities*

For the regeneration of rural India there must be a frontal attack on those problems which are known to have caused and are causing obstructions to progress. There must be coördinated "economic activities" if we hope to revive rural life in India.

Under the existing systems of administration there is no effective liaison with the departments that are *directly* concerned with rural welfare and local administrative units that are in actual touch with the lives and surroundings of the rural population. The statement of the Royal Commission on Indian Agriculture—that the necessity that the rural problem should be attacked as a whole, and at all points, simultaneously, is still insufficiently present to their (the Government of India's and local governments') minds; that if the inertia of centuries is to be overcome, it is essential that all the resources at the disposal of the State should be brought to bear on the problem of rural uplift—has passed unnoticed or, at best, has found a place in a pious resolution of the Governments. Sir Basil Blackett's advice that "the Cabinet Room in 10, Downing Street ought to have prominently emblazoned on its walls the Hegelian motto: 'The Altogetherness of Everything,'" should be addressed to the Central and Provincial Governments in India.

In 1929 I submitted a proposal to the Government of Bengal for establishing a coördinating organisation with a view to increasing the total effectiveness of all the agencies designed to serve the rural population of Bengal.

But at that time the gaze of our Ministers was fixed on the investigations of the Indian Statutory Commission, and consequently such proposals dwindled into insignificance—so much so that there was no need even to send a formal reply to my Memorandum. Later on I was informed at a social gathering that the scheme could not be given effect to when the financial position of the Government was so precarious. The truth was, however, that the Ministers did not take any initiative in the matter, and relied on those mechanical "notes" carefully recorded on the files of the departments concerned.

### 18 *The Need of Rural Organisation*

This state of affairs will continue until there comes into being organisations of the villagers themselves, through which desire and determination to improve their lot may be impressed on those who may be in power. They are required to show that the proverbial patience of the Indian *ryot* has long since ceased to be a virtue. Labour has become a distinct force in the political arena, because of the strength of its own organisation. For the protection of agricultural interests there must also be strongly organised bodies of opinion in rural India in the definite programmes. Such bodies have still to come into being, and they need leadership.

In Ireland the rural people themselves took up their cause through the Irish Agricultural Organisation Society, formed by a number of Irish patriots. It was followed by a similar organisation in England, and it is common knowledge that the National Farmers' Union is a powerful

factor in the economic life of the English peasantry. The Ministry of Agriculture cannot ignore the Union.

It should not be difficult to set up village organisations in India under the guidance of proper leadership. Among rural folk there still exists the devotion of each individual to the communal authority; "Each for all and all for each" still remains the keynote of social morality. The task before us, the educated minority, is to assist the development of these social instincts; and through such developments to bring about coöperation between the State and the people. Merely enfranchisement of a portion of propertied classes in rural areas cannot achieve this end. Those who are clamouring for extended political careers must realise that democracy is something deeper than liberty—it is responsibility.

During the latter part of the nineteenth century a Russian author writing about the peasantry of his country observed; "The idea of country is embodied for us not in our State but in our People, in the *moujiks* and in those various elements which make the *moujiks*' cause our own. Our hopes, our devotion, our love and irresistible idealism which stimulates to great labour, all that constitutes the essence of patriotism, with us is democratic."<sup>1</sup>

#### 19. *Rural Leadership*

In India there is real need of rural leadership—leadership in a true sense. In consequence of bad business, bad farming, and bad living, the village as a social unit lacks that vital energy so necessary for its being able to adjust

<sup>1</sup> *The Russian Peasant*, by Stepniak, 1888.

itself to changing conditions, or to protect its interests against the ever-growing dominance of urban influences. Where a landlord has been created under the auspices of the land revenue system, he frequently is absent from his domain. The truth of Professor Carver's dictum that "next to war, pestilence, and famine, the worst thing that can happen to a rural community is absentee landlordism" is illustrated by the lack of leadership in the furtherance of rural interests in India.

And yet our landlords are described as being the "natural" leaders of the rural population. A general conspectus of the conditions of life in rural areas should convince an impartial observer of the manner in which the "natural" leaders have discharged their responsibilities towards the people. Ever since they have forfeited their place among the people there have risen circumstances that are now being exploited by the extremist section of Indian politicians. Attempts may be made to arrest that process by the instruments of "law and order"; but so long as the inter-relationship between all classes in rural areas remains unadjusted, it will be impossible to keep out "politics" from that sphere. Not long ago, at a political conference in the district of Jessor (Bengal), the following resolution was passed by a majority.

That this Conference strongly condemns absentee landlordism which has been productive of many evils, particularly affecting the rural population from whom the *Zemindars* derive their unearned income.

This Conference calls upon the *Zemindars* to re-establish the tradition of personally looking after the needs of their tenants in the rural areas, particularly in the following directions—

- (a) The clearing of the water hyacinth pest and the clearing of jungles within their estates.
- (b) The filling up of *Dhobas*,<sup>1</sup> the reclamation of neglected tanks, and other measures to save the rural population from death and disease from preventable causes like malaria, cholera, etc.
- (c) The establishment of educational institutions.
- (d) The protection of tenants from the rapacity and corruption of officers of the *Zemindars*.
- (e) The protection of the life and property of the rural population, particularly the honour of women folk which is in constant danger from russians.

That having regard to the deplorable economic condition of the *rayats* and the indifference of the *Zemindars* to their lot this Conference warns the *Zemindars* to devote themselves whole-heartedly to promoting the welfare of the *rayats*, particularly in the directions indicated above, failing which the Conference calls upon the District Congress Committee to take suitable action.

On the other hand, there are examples of regeneration of rural life under the guidance of the landlords. Take the case of the Gosaba coöperative enterprise in Bengal. The genius and inspiration of a noble Scotsman, Sir Daniel Hamilton, have brought back to life the village *panchayet*, adapting that system to modern conditions. Each of the nineteen villages has its own *panchayet*, functioning something like a miniature development commission. Each of the villages has got rid of the influence of money-lenders, merchants, and even of lawyers. In twenty-five years there has never been a single criminal or civil law case on the estate. About nine

<sup>1</sup> Shallow tanks—ideal places for mosquito-breeding.

thousand agriculturists now understand the gospel of coöperative efforts. The secret of success in such rural enterprise lies in its grappling with the problems of those fundamental deficiencies that exist in the main factors of economic life, and in attempting to solve them by the spirit of self help.

The leadership supplied by Sir Daniel Hamilton in his estate has a great lesson for us. The politically minded class must realise that the elementary conditions under which an effective electoral system functions can only be brought into being if there be an organised effort to give a well-directed and steady stimulus to the development of the socio-economic life of the rural population.

Some of our patriotic young men should be actively associated with the cooperative movement which, in every progressive agricultural country of Europe, has created a type of rural leaders who not only assisted the State departments primarily concerned with the welfare of the village community, but they themselves organised various forms of cooperative activities. The universities in India have it also in their power to make a valuable contribution to the training for rural leadership. But so far there have been no sustained efforts on the part of our university men to take the lead in any organised direction for the service of the rural classes.

The realisation of the symptoms of rural decadence leads Gandhi to declare that "to serve our villages is to establish *Swaraj*. Everything else is but an idle dream." Tagore holds the same view. Time and again during the period of political unrest he told his countrymen that the regeneration of India must start at the

bottom, and cannot be imposed from the top. The ever-widening gulf between the Government and the people may yet be bridged by coöperation in working out a *real* economic plan for rural welfare.

## 20. *Litigation*

Sir George Campbell, ex-Lieutenant-Governor of Bengal, in a speech before the Social Science Congress, Glasgow, 1874, remarked:

"Our rule has brought peace; but it has brought litigation. A good deal of perjury is rampant; and the simple people are now subject to the landlords in some parts of the country to a greater extent than I, for one, think desirable. I can say that in some parts, while we have done much for the higher classes, we have much neglected the masses."

Litigation is one of the causes of poverty and indebtedness of the Indian masses. In the Punjab, litigation costs annually about 4 *crores* (1 *crore* = £750,000) and the number of persons involved annually is about 1,500,000. The total number of civil suits annually instituted, on average, in British India is over 2,200,000, the value of which is estimated at about 79 to 80 *crores* of rupees (1 *crore* = £750,000). "Bengal lives largely on the revenue from stamps, most of which arises from litigation," observes Sir Walter Layton. She alone has a record of about 700,000 cases in 1928.<sup>1</sup> Jack observed, in his *Economic Life of a Bengal District*, that four-fifths of the revenue drawn from stamps was collected in the shape of fees upon documents used in the law courts.

<sup>1</sup> The figure for 1928 is 2,431,276.

The legal profession has grown and prospered almost in every province. In 1868 there were forty lawyers in the Punjab, and to-day their numbers have risen to 1,200. The phenomenal increase in the legal profession in other provinces is an indication of the growth of litigation throughout India.

### *21. The Outlook of the Peasant*

In common parlance we say that our people in the villages are very religious and that the community of religious interests has developed among them a spirit of cohesion and mutual assistance which help them in resisting the impact of external influences. But the truth is, there exists only a kind of piety in which our rural folk seek a solace for their distress and pains. The so-called religious feelings are like crutches. Indispensable though they are, even these crutches are breaking up into a number of disjointed fragments, for they cannot withstand for long the battering-ram of economic influences.

The gospel of Fatalism arises from insecurity of means of living, and it is this gospel which works behind the mental inertia so characteristic of our rural classes.

The social outlook of our villagers is also, to a great extent, influenced by economic conditions. Speaking about the prevalence of early marriage, a village priest said to Mr. H. N. Brailsford: "Our religion is no more for we have been forced by poverty to sell our daughters."<sup>1</sup> If it is true that the fatalistic mentality of the average Indian villager is a serious handicap to the work of the

<sup>1</sup> *Rebel India*, by H. N. Brailsford, 1931.

rural reformer, it is equally true that in this very outlook lies the source of the phenomenal endurance displayed by our rural population. Life in the average rural environment is a hazardous adventure, rendered bearable to the illiterate masses through faith in innumerable rituals. To them life has become a prison, and therefore they look to death as a benevolent intercessor.

But it does not mean that our rural folk do not experience the joys of existence. The village market has a great attraction for the peasant; here he finds an opportunity for a bit of gossip and gaiety; festivals and ceremonies<sup>1</sup> in connection with ritualism often break the monotony of daily life. Amusements as such do not appear, however, to occupy any great place in life in rural India.

## *22. The Revolt of the Peasantry*

But the placid, pathetic contentment of our rural population can no longer be depended on. The nation-wide demonstrations led by Gandhi have achieved the end the framers of the Indian Constitutional Reform of 1919 had in mind, and although it is a fashion to under-estimate the strength and popularity of the Congress Campaign in the villages, one must admit that profound psychological changes not perceptible to an official eye have slowly been influencing even the traditional outlook of the Indian rural population. "The timidity that formerly characterised the Indian villagers even as late as two

<sup>1</sup> There are nearly 33 *crores* of gods and goddesses who have some claim on the attention of the Indian peasant.

years ago is now fast disappearing. In its place is a new fearlessness, the outcome of a growing solidarity."<sup>1</sup>

Our meek and patient peasantry are beginning to learn even methods of retaliation. A close observer would find indications of a change in the moral physiognomy of the indigent peasant and landless wage-earner. They have become an easy prey to agitations, such as no-rent campaigns, the abolition of the salt tax, or the civil disobedience movement. The discontent amongst our masses was the root cause of *Chauri Chaura*<sup>2</sup> and similar incidents that occurred since the beginning of the non-cooperation movement. At the time of revolt among the peasants in the districts of Mymensingh and Midnapore, Bengal,<sup>3</sup> I had visited the distressed areas. When we see the conditions of existence of the majority of the village population we can only be astonished that so few of them commit an anti-social act! Indeed, the patience of our peasantry is too great, but let us not believe that it is unlimited. The repressive measures so successfully employed in combating extreme political influences have perhaps instructed our peasants a little in the art of taking the laws into their own hands. And the civil disobedience movement may have given them the impulse of defying such laws that are contrary to their interests.

But the only method of dealing with this spirit of revolt is to make an effort to eradicate the root causes that foment a revolt. The first Indian experiment in tax resistance was made in the district of Bardoli (Gujrat).

<sup>1</sup> *Voiceless India*, by Miss Gertrude Emerson, 1931

<sup>2</sup> A riotous mob attacked the police station

<sup>3</sup> The peasants attacked the money-lenders at Kishoreganj

## *Land, Labour, and Life of the Indian Peasantry*

Although the incident was considered to be a part of the general political upheaval, the real truth lay elsewhere. The peasants protested against an excessive assessment, which the Government, after an enquiry, had to reduce.

Such are the symptoms of the psychological changes that are taking place in the outlook of the masses. Those who aspire to control the destinies of India's future government, and those who now seek a solution by transferring their responsibilities to the people's "representatives," must realise the significance of the portents one observes among agrarian and organised labour.

### *23. The Future of the Indian Peasant*

"It makes little difference to 300 million Indian peasants what the Simon Commission may recommend, but I fear that the *ryot* will remain the most pathetic figure in the British Empire," observed Mr. C. J. O'Donnell.

There is very little prospect of any immediate substantial progress in rural development. For the next ten years, at least, will be devoted to the task of working (if it works at all) a unique and vastly complicated constitutional machinery. Our political mechanics and State experts will have their energies highly taxed by frequent breakdowns; the conglomeration of interests conjured up by the process of political bargaining will give rise to conflicts that will necessitate the application of "safeguards"; and plans and programmes for national reconstruction will receive no adequate financial support. Meanwhile the economic preparedness and increasing efficiency of other agricultural and agri-industrial countries

will render the path of progress more difficult than at present. A sympathetic English tourist, in the course of a recent visit to India, reckoned with the peasants in some villages near Agra the time required to cultivate an acre under wheat, from the first ploughing to the final threshing, including the laborious watering, and found that forty days of one man's work were consumed. Now an acre of wheat on a modern mechanised American farm requires only a fraction of one man's labour for a single day. But the wheat raised by forty days' labour must compete in the world's market and sell at the same price (assuming that the quantity of wheat grown is similar) as the wheat raised by one day's labour.

All this is a gloomy picture of the life of the Indian peasant. Rural India does present a gloomy picture, and the Indian peasant remains a tragic figure in the British Empire. Tragic, because he has not the equipment mental and social for adjusting his primary occupation to the altered conditions that govern his economic life. But we must face the grim realities, and one can only hope for the best and join Lord Linlithgow in his appeal<sup>1</sup> to those in whose hands the responsibilities of improving the lot of the Indian peasant lie, so admirably expressed in the following words:

"Those who govern, and those who aspire to govern India, must never allow themselves to forget that India's wealth, in an overwhelming degree, is in her agriculture, and that upon the fields of her cultivators is founded the whole structure of India's economy. The peasant, now as

<sup>1</sup> *The Indian Peasant*, by the Marquess of Linlithgow. Faber and Faber.

ever, is the chief source and creator of both her wealth and her greatness, and of him it may with truth be said that he is India. His the heat and his the burden. As one who has learned a little to understand that burden, I pray that those in whose hands the issue lies will see to it that India is given not only good government, but also, as far as the circumstances allow, inexpensive government."

But nowhere in the proposals for the new Indian constitution can one find any indication of establishing inexpensive governments for India; nor is there any direction from where additional State expenditure would be forthcoming. The White Paper on Indian Constitutional Proposals makes it clear that the new governments are to start solvent.<sup>1</sup> Even if this be made possible it is not at all clear from where the supply of necessary resources for "economic planning" will come. Proposals for the spread of mass education, the extension of communications, the establishment of land mortgage banks, and for State aid to industries, one and all require substantial additional finance. What assurance is there that the budgets of the nation building departments will improve under the new constitution? What assurance even is there that these budgets will not have to be ruthlessly pruned?

"The transformation of India by the concentration of national energy on agricultural advancement," writes His Highness the Aga Khan, "will be the main material agency for raising the condition of the people to a reasonable standard within the lifetime of our generation.

<sup>1</sup> Introduction, para. 60.

The provision of large annual loans for the purpose during the next few years would be justifiable. The autonomous provinces of to-morrow must concentrate on the work of rural regeneration as the greatest executive task before the nation.<sup>1</sup>

But the fulfilment of this task is contingent on those who claim to have concerned themselves with the welfare of the agricultural classes and aspire to retain their position of "natural leadership." Their demands before the Parliamentary Committee on Indian Reforms are increased representation in the legislatures, safeguards of their proprietary rights in land and "other privileges which they have enjoyed for centuries and which they have always held very dearly to their hearts," and a Second Chamber in all the provinces. Side by side with these demands, we should recall their vehement protests against a proposal of the Indian Statutory Commission to remedy one of the outstanding defects of the Indian revenue system, namely, the total exemption of agricultural incomes from income tax. It is, however, hoped that the landlords are not unmindful of the consequences that may arise from lack of courage and leadership so urgently needed in adjusting themselves to new economic and political conditions. The writer believes that the greatest support they can give to the Government in the maintenance of law and order lies in their persistent efforts to keep the peasantry contented.

<sup>1</sup> *India in Transition*, by H.H. the Aga Khan

## CHAPTER III

### INDIAN LABOUR

#### *i. Statement of the Problem*

“When traders from the west made their first appearance in India, the industrial development of this country was at any rate not inferior to that of the more advanced European nations,” observed the authors of the Indian Industrial Commission. The native industries were based on communal life, and the system adopted in their development aimed at the subordination of profit-making to social responsibility. The peasant, the artisan, the wage-earner, and the trader all harmoniously performed their services to the community as a whole, and these inter-relationships were based on a social structure in which the interests of the group life, rather than those of the individual, were the main objective.

With the introduction of British rule, India has been gradually entering upon the adventure of industrialisation based on the factory system, and this has brought about conditions of disequilibria that are inherent in that system. The advantage of a settled government, expansion in railways for military considerations, and abundance of cheap labour gave the industrialist unique opportunities for large-scale industries. Labour became a tool or commodity—just an “inarticulate part” of the system of industrial production. In short, industrialism became a new factor in Indian life.

Our agricultural labourers number over 25 millions According to the figures quoted in the Memorandum prepared by the India Office in 1922 for the League of Nations there are over 20 million workers in industries, including mines, plantations, transport and "cottage" industries, and over 140,000 maritime workers The textile industry employs about 400,000 workers, and jute mills about the same number The total labour force of the tea industry is over 925,000

## *2 Character of Indian Labour*

The great bulk of our industrial labour is drawn from the agricultural classes The tenants without rights on the holdings they cultivate, the cultivators living on un-economic holdings, and the growing number of landless labourers are the prolific sources from which the labour for factories, plantations, and mines are recruited These recruits, however, do not break their contact with the village life, and periodically return to their agricultural pursuits From the point of view of exploiting labour the arrangement appears to be satisfactory, for, owing to under-employment and unemployment in rural areas, there is always an assured supply of "labour reserves" and consequently the industrialists and planters can have control over wages There is no permanent labour force in our industrial centres, although in recent years a considerable minority has settled down in the neighbourhood of factories and plantations

A vast majority of the workers is illiterate They are even unable to read the clock or to decipher the simplest

written calculation. This illiteracy is turned to advantage by adopting a system of recruitment to which I shall presently refer.

But the Indian labourer is, generally speaking, a man endowed with a fund of common sense; he is pliant and amenable to discipline; like his fellow-worker in the field, he is patient and not easily provoked; he is idle and has a tendency towards self-indulgence; and living as he does in a very depressing environment he has developed a liking for excitement. He is sociable and fond of peaceful, domestic life. As regards his outlook on life, it undergoes a radical change by the influences of urban environment and of the conditions under which he has to work. "Take a man out of his village community, and you remove him from all the restraints of society. He is out of his/element, and under temptation, is more likely to go wrong than to remain true to the traditions of his home life."<sup>1</sup>

But the attraction of the village home is so strong with our labourers that they are not permanently corrupted by the life of the industrial areas. The inevitable interplay of forces is gradually transforming the outlook of our agricultural labourer and indigent peasant on the one hand and of the newly created urban proletariat on the other.

### *3. Labour Unrest*

One of the distressing social phenomena in India to-day is the growing unrest among labourers themselves in the centres of organised industries. The relations between

<sup>1</sup> Max Müller.

the employer and the employee would not have become so strained if, at the first indication of conflict, the Government and the employer had taken active steps towards the removal of the legitimate grievances of the employee

In the previous chapter a reference is made to the rising of the Deccan (Bombay) peasantry in 1875. After the failure of the Indian Factory Act of 1881 in removing some of the worst conditions under which the factory labourer worked, a group of mill-hands in Bombay became restive. The Government appointed a Commission in 1884 before which mill-hands placed the following demands

- (1) A complete day of rest every Sunday.
- (2) A recess of half an hour.
- (3) Limitation of the hours of work from 6.30 a.m. to sunset.
- (4) Payment of wages not later than the 15th of the month following that in which they were earned.
- (5) Compensation for injuries and disablement.

After a period of forty-six years the Royal Commission on Indian Labour found the condition of workers, to say the least, very unsatisfactory. The distress of the labour force in the factories, mines, and plantations is still acute, and the labourers themselves have learnt the use of the strike weapon in industrial disputes. The history of a series of strikes since 1923 is a dismal record of failure of our industrialists and capitalists to make adequate adjustments between their claims and those of the labourer, they have failed to realise that, in a country almost exclusively agricultural, the introduction of industrialism should be attended with a process of careful

adaptation. On the contrary, not only have they assumed an attitude of complacent indifference towards this problem, but their mind works at a level which the capitalist in Europe had reached half a century ago.

During the Great War the mills yielded a very substantial profit, but with the depression in trade in 1923 the Ahmedabad mill-owners organised concerted action to reduce the wages of labour by 20 per cent. Strikes followed and lasted over two months. Eventually the mill-hands had to accept a cut of 15.6 per cent. Two years later the Bombay mill-owners' actions precipitated a serious crisis in which the Government, after allowing the strike to continue for about three months, intervened. The operatives in the cotton mills refused to accept a reduction in wages but secured from the Government of India for their masters a great victory in the matter of the Excise Duty of  $3\frac{1}{2}$  per cent, which was removed by a special ordinance!

But the strike fever persisted and was greatly aggravated by political agitations. The total number of industrial disputes in 1928 was 203, in which over half a million workers were involved; in 1930, over 196,000 workmen were involved in industrial disputes, resulting in the loss of about 2,250,000 working days. The growing spirit of revolt among our working classes was a matter of considerable surprise to those who thought that the Indian labourer was humble, docile, and inarticulate. During the period of industrial unrest in Bengal an English missionary, living in close contact with the people of that province, wrote as follows: "Now what has been the cause of the strike? There is no doubt Gandhism was

the match that lit the fire, but the fuel was already here in the shape of a long-standing, almost inarticulate sense of injustice among the workmen. Most of the things they now ask for they have been told by others to ask for. It has been one of the difficulties which the authorities have had that they have been unable to find out what the men really want."<sup>1</sup>

But what they really want is not unknown either to their masters or to the Government. They ask not charity—they want work and a living wage so that they may find bread for their family and milk for their little ones. They want to be rescued from heavy indebtedness, largely due to the uncertainty of their employment, and from the environment which reeks with slum.

Perhaps one of the most striking documents that reached the Royal Commission on Indian Labour, entitled "The Indian Labourer's Charter," was the one presented to them by the labourers themselves in Karachi (Sind).

- (1) I am a human being and not a mere soulless machine
- (2) I want a hygienic house to live in
- (3) I want my children to be educated free
- (4) I want to be a skilled worker
- (5) I want to be saved from the money-lender's clutches
- (6) I want to be protected from the "politics" of the priest
- (7) I want the abolition of drunk and drug shops
- (8) I want the eradication of brothels, gambling dens, and the exclusion of sensational cinema films

<sup>1</sup> *Industrial Unrest in Bengal*, Rev E. B. Sharpe (Church Missionary Review, September 1921)

<sup>2</sup> Quoted in *The Indian Peasant Uprooted*, by Miss Margaret Read, 1931

- (9) I want a guaranteed subsistence allowance which will keep me above the itch of corruption, material as well as moral.
- (10) I want sufficient leisure for self-cultivation and self-realisation.
- (11) In short, I want my well-being to be assured by beneficent legislation, for otherwise employers will not ameliorate my lot.

### *4. The Life of the Worker*

The employer in India is yet to realise that "the human being remains the most important machine in the production of wealth and in industrial development." The legislative measures may be enacted for the purpose of adopting humane conditions of labour, but they cannot really achieve the end until the employer himself takes the initiative in bringing about a better understanding between him and his workers. The conditions under which the labourers work in the mills, plantations, and mines, and live in the dirty, crowded, and unsanitary hovels after the day's labour, are the root causes of labour inefficiency and labour unrest.

Speaking about the Indian employers, two well-known economists of the Presidency of Bombay observed as follows: "The employer in India believes in the gospel of fear; he believes he can bring his workmen to reason by the constant display of his right of dismissal with loss and forfeiture of a month's wages. He thinks he can compel obedience by keeping his workmen in a constant state of fear and dread."<sup>1</sup>

<sup>1</sup> *Wealth of India*, by Wadia and Joshi, 1925.

On account of our social customs among heterogeneous racial types and of climatic conditions there have risen special problems in regard to the improvement of the life of the workers. While it must be admitted that the labour laws and regulations should be rigorously enforced the ultimate solution rests with a determined leadership that alone can make radical changes in the present-day system. Is there any indication of that leadership coming from the organised privileged classes, or from our social service workers? Or must India face the ordeal that may avert her from the growing attractions of revolution among the labourers themselves?

During the strikes of the jute-mill workers, and on various occasions of visits in other industrial centres, the writer had seen the conditions of the life of our labourers, some of the worst features of which, as drawn by official reports and by those who are in a position to judge the situation, are stated here.

#### (a) SLUMS

Bombay, one of our industrial cities, famous for her "Diamond Necklace," the long line of lights that outlines the shore of the beautiful Back Bay, accommodates her working classes in one-roomed tenements with six to nine persons to a room. The infantile death-rate in the slums of Bombay is as high as 660 per thousand in the first year of life. Of the industrial areas of Ahmedabad the Report of the Royal Commission on Indian Labour observes that "the areas occupied by the working classes in Ahmedabad present pictures of terrible squalor. Nearly 92 per cent of the houses are one-roomed they are badly

built, insanitary, ill-ventilated, and over-crowded, while water supplies are altogether inadequate, and latrine accommodation is almost entirely wanting. Resulting evils are physical deterioration, high infant mortality, and a high general death-rate."

The over-crowding of the jute-mill areas near Calcutta is, according to the report, "probably unequalled in any other industrial area of India." And yet a substantial portion of the revenue derived from the jute-cess goes to the improvement of the city of Calcutta.

#### (b) WHILE AT WORK

The life within the factories is equally dismal. In the first place, the worker is entirely dependent for employment on the mercy of the jobber or labour contractor, or the foreman, and in the case of women in certain mills, on the *naikin*. These forewomen are some of the worst tyrants. "It is affirmed that when her anger is roused against men who are too strong for her she has been known to hire outsiders to maul her enemies."<sup>1</sup>

The *sardars*<sup>2</sup> and jobbers exercise uncontrolled power over the worker, and it is difficult for him to get his grievances heard or redressed. In the tea gardens the way in which the subordinate staff treat the labourers virtually amounts to reducing them to the condition of slavery. In 1926 a change was made in the law by which penal contracts became illegal; and yet the findings of the Royal Commission on Indian Labour confirm the suspicion that the system is still in vogue. The old methods of recruitment that became a byword for torture

<sup>1</sup> *Labour in India*, by Kelman, 1923. <sup>2</sup> *Sardar* = overseer.

and oppression were legally prohibited, but the labourers, unacquainted with the change, continue to be under the mercy of the *sardar* and the *chowkidar*

For the security of his job the newcomer has to do all he can to please his "superiors" Not only has he to pay for the privilege of being recruited but he must agree to pay a fee to them for retaining his job These "superiors" may own a *busti*<sup>1</sup> or a shop or a money-lending business In all these adventures he must be prepared to render them faithful service! Thus, constant fear, bribery, corruption, frequent threats, low wages, indebtedness, dirt and dust, insufficient and deficient diet, sickness—all these make the life of the worker "wretchedly subnormal" The almost inconceivable paucity of the men themselves is put to the severest strain

In the absence of any statutory control over the construction of mills, tanneries, and other factories, the environment under which the factory hands work is too often wholly unsatisfactory, and, to quote the words of the Whitley Commission, "a large number, probably the majority, of factory owners make no endeavour to mitigate the discomfort, to use a mild word, that the hot weather brings to their operatives"

The insanitary surroundings of most of the industrial areas and lack of adequate latrine accommodation are chiefly responsible for the prevalence of preventable diseases among workers For instance, hookworm<sup>2</sup> is

<sup>1</sup> A collection of huts in the neighbourhood of the mills and factories

<sup>2</sup> A disease caused by an intestinal parasite In England it is known as 'Miners' ankylostomiasis The disease is preventable as shown by the reduction of its incidence from 94 per

common among the miners; and some 80 per cent of the labourers in the Darjeeling tea plantations are known to be infected. Malarial conditions prevail seriously in the neighbourhood of mill areas in Bombay and Howrah.

(c) **HEALTH**

As regards the health conditions in our principal industrial areas, we are now authoritatively informed that "impaired physique and deficient diet are to be found everywhere," and that "sickness and disease exact a heavy toll and detract from workers' efficiency and earning capacity to a marked extent."

The Director of Public Health in the United Provinces stated in his Memorandum before the Royal Commission on Indian Labour that no employers except the British India Corporation kept health statistics of their workers. The callous indifference of the employers towards the health of the workers is an example of a short-sighted policy, since any improvement in this direction would certainly bring a considerable economic gain.

But "the general feeling of the mill-owners is that labourers kept good health for about ten months after joining, after which they show signs of breakdown, and unless they take rest they are seldom found satisfactory after that period. . . . One undertaking frankly admitted that they get rid of men as soon as they become unfit."<sup>1</sup>

cent to 6 per cent between 1904 and 1920 in the Cornish mines (England). In Ceylon a vigorous campaign to combat the disease resulted in the increase of the output of labour by no less than 25 per cent.

<sup>1</sup> Memorandum, Director of Public Health in the United Provinces, before the Royal Commission on Indian Labour.

Hundreds of workers from Bombay return to their villages to die slowly of "fever" which is, in reality, a fateful symptom of tuberculosis.

(d) ILLITERACY

Ignorance, superstitions imposed by religion, and illiteracy are responsible for much of the abuses that exist among our labouring classes. Here, as it is with our peasantry, a number of predatory agents—such as the recruiting touts, *sardars*, foremen, usurers—all conspire to exploit the illiterate worker. It is his illiteracy that places him at a very great disadvantage, but it also greatly reduces his efficiency as a unit of labour. With the increase of the mechanisation of industries there must arise the need of workmen who may understand, and therefore are likely to take an interest in, the material and the machinery that they handle. Hence, the problem of education in relation to industrial workers resolves itself into two parts, namely, facilities for general education, and facilities for special technical education.

Neither Government nor the employer have taken any effective steps towards the provision of these facilities. As regards general education, the children of the workers rarely spend more than a year or two at schools which, in the industrial areas, are in reality only crèches.

It is not true that there is a positive dislike for education among the workers. The continuation classes<sup>1</sup> held in some of the mills and factories are usually well attended, and so far the results have been encouraging; but the

<sup>1</sup> The Buckingham and Carnatic Mills in Madras, and certain jute factories in Bengal, provide such classes.

quality of the training imparted in these classes is poor, and apt to produce distaste and dissatisfaction among the pupils and their parents.

The efficiency of public administration suffers, and the efficacy of protective legislation is greatly reduced, by this widespread illiteracy of the labouring classes. Our credulous and ignorant workers have no knowledge of the rights and privileges which Government have provided for them and sought to safeguard for their use. The employers take no active steps to acquaint them with their rights under the law. On the contrary, an employer may perpetuate with impunity the abuses the legislatures seek to eradicate.

One instance may be cited here. In 1929 the Workmen's Breach of Contract Act was repealed, by which penal contracts became illegal and labour was given the freedom of movement. And yet "the cases in the criminal court revealed that many workers were put under a 939 days' contract for a nominal advance of Rs 4. Many of these cases were against women and minors. A woman under agreement for 313 days with an advance of Rs 10 left the garden with twenty-seven days' balance. She was arrested, and on her refusal to finish her contract was given six weeks' hard labour in prison. In one district, 5 per cent of the cases were against minors, and children of eight years old and upward were placed under agreement, and furnished with imprisonment, although Act VI of 1901 forbade placing minors under sixteen on contract."<sup>1</sup>

<sup>1</sup> See *The Indian Peasant Uprooted*, by Miss Margaret Read, 1931.

This state of affairs will continue so long as the workers themselves fail to realise the power of combined efforts for protecting their rights and privileges (The trade unions are institutions of exotic growth and tend to be exploited for political bargaining, but so long as the education of the worker remains too low "to admit of effective and continuous organisation amongst themselves," labour organisations will be manned by men outside their own ranks

#### (e) MONEY-LENDERS IN INDUSTRIAL AREAS

The position of the money-lender in rural economy and the effects of his unchecked hold upon the cultivator is stated in a previous chapter. The evil also exists in industrial areas. "Almost invariably," writes Mr. Hoyland,<sup>1</sup> "the Indian mill-worker stands in a relationship which amounts to little short of slavery towards the money-lender. It [the rate of interest] is not unusually two annas in the rupee *per mensem*, which means that a loan of Rs 60,<sup>2</sup> if none is repaid (and very frequently the cost of living in the city is so high that none can be repaid), becomes in five years a debt of about Rs 70,000. Obviously, any refuge will be welcomed from the intolerable burden of such indebtedness. In the large industrial city where the present writer has lived for a number of years (and in Bombay also) the money-lenders are mostly Afghans, and thus a bitter racial hatred grows up between the money-lender and his victim. This is reinforced by religious hatred, since the money-lenders

<sup>1</sup> *The Case for India*, by John S. Hoyland, 1929

<sup>2</sup> 1 Re = 1s 6d Two annas = over two pennies

are Mussalmans and their victims Hindus. The result is occasional bloodthirsty rioting, and constant poisonous ill-will. . . . It is not to be wondered at, since these things are so, that the mill districts of Bombay and other large industrial cities become hotbeds of Hindu-Mussalman strife on the one hand, and of Communism on the other." Soon, if no effective steps are taken to check this growing evil, which is a dangerous symptom of maladjustments in the process of naturalising Western industrialism under Eastern conditions, we shall have no peace in our industrial areas.

The system of the recruitment of labour is such that our indigent villagers may easily fall into the clutches of recruiting agents, who themselves act as money-lenders. "The essence of the system is the payment of an advance to the prospective labourer in order to enable him to free himself from his pecuniary difficulties."<sup>1</sup> It is one of the means by which the labour contractor holds a grip on his recruits, with results that are dangerous because they are subtle, and can elude the vigilance of the law.

In some of the provinces in India the Factories Act remains almost a dead letter and requires rigorous enforcement. Besides, many industrial concerns, employing about ten million workers, do not come under the existing factory legislation; and here one discovers a most disgraceful spectacle of inhumane treatment of defenceless workers. I shall cite one instance of this treatment. In the carpet factories in Amritsar (Punjab) the majority of the workers are children between the ages of nine and fourteen, who are made to work on the looms

<sup>1</sup> *Indian Year Book, 1932.*

through an eleven-hour day for 2½d. The factory owners claim no responsibility in the matter of labour and wages, and shelter themselves under the contract they have with the master-weavers. But that is not all. I reproduce a document discovered by a member of the Royal Commission on Indian Labour during a visit to a carpet factory in Amritsar. The document runs as follows:

"I, Booter, son of Chakli, Chowkidar<sup>1</sup> of Amritsar, owe Rs 57<sup>2</sup> odd, of which half is Rs 28 80 which I have borrowed from Booty weaver in advance. I agree that my grandsons N and F should be handed over for the purpose of carpet weaving. N is to get Rs 9 per month, and F is to get Rs 7 per month. I will take the wages monthly. I will not break this agreement. If I break this agreement I will return all the money I have borrowed to the man who has lent it to me."<sup>3</sup>

Let not my readers take this document as a rare instance of slavery that exists in India in various strata of her social and economic life, let them not find comfort in the thought that such conditions exist elsewhere and that they can be solved by certain changes in the administrative structure of the country.

Commenting upon the exploitation of child labour, the Commission observed "It was clear to us from the evidence that these children were in the position of being obliged to work any number of hours per day required of them by their masters. They were without the protection of the law as regards their physical fitness to

<sup>1</sup> Watchman

<sup>2</sup> 1 Re = 15 6d

<sup>3</sup> Quoted from Miss Margaret Read's *Indian Peasant Uprooted*

labour, the number of hours they might be required to work without any intervals, or indeed, any of the more elementary protections afforded by the Factories Act in respect of child workers, and they were subjected in some cases to corporal punishment."

In the cotton ginneries, the indigenous cigarette manufactories, tanneries, and various other forms of industries, child slaves exist under the designation of "child apprentices," and the system of mortgaging the labour of children is prevalent. Yet so far, any kind of regulation or rigorous inspection in their interest has not been attempted.

Such are the conditions of the life and work of our industrial labour. What may be their reactions on the life and outlook of the masses of workers is not difficult to discover to-day. Either their mind, worn out as it is by numerous social disabilities and religious customs, is almost completely atrophied or it is repressed to such a degree that it breaks out from time to time in forms of expression not agreeable either to the Government or to the employers. The process of development of healthy industry is seriously retarded in consequence of labour disturbances.

A note of warning is given by Mr. A. S. Pearse in his excellent review<sup>1</sup> of the Indian cotton industry. He says: "No wonder that he is incompetent. His constitution is frail; he does not get suitable food; he has no schooling, no ambition, is careless, wasting mill stores and raw material; he is not disciplined, and is said to be by nature indolent as well as improvident. No industrial centre can flourish in the long run with such labour; it therefore

<sup>1</sup> *The Cotton Industry in India*, by A. S. Pearse, 1930.

behoves the master to improve the quality of labour or to recognise the inevitable."

### *5. All this for a Pittance*

Employers are, as a rule, reluctant to furnish correct data in regard to wages, bonuses, and other forms of payment to their operatives. In the jute industry the wage-bonuses are kept a "deadly secret." The principle upon which the bonus system is based is not known, and consequently it has become a recurrent source of misunderstanding and dispute. Wages are fixed arbitrarily by the employer. Then there is irregularity in payment of wages and the practice of making deductions on trumped-up charges.

In the absence of accurate statistical data, a very general idea of the wages may be given here. They differ in accordance with the type of industry, their location, and with the class of labour employed. The labourers in the tanning industry, for example, are mostly untouchables; they are recruited from the ranks of landless agricultural workers who "possess their naked bodies and little else." The average pay for the labourer is not more than Rs 7<sup>1</sup> per month. In Bombay the wages of labourers in the tanning industry have recently risen to about Rs 25 per month, and this increase, after a successful strike, is due to "a monopoly of their own degradation." As a rule, no caste other than the untouchables works in the tanning industry.

The following tables<sup>2</sup> show the average earnings of our industrial labour.

<sup>1</sup> 1 Re = 1s. 6d

<sup>2</sup> See *Indian Year Book, 1932.*

# Indian Labour

TABLE 8

## Cotton Textile Industry<sup>1</sup>

Centre	Average Daily Earnings for				
	Men	Women	Children	All Adults	
Bombay ..	Re As. P. 1 8 0	Re As. P. 0 11 11	Re As. P. —	Re As. P. 1 5 3	
Ahmedabad ..	1 6 8	0 12 6	0 5 6	1 4 8	
Sholapur ..	1 0 5	0 6 8	0 4 0	0 14 8	

TABLE 9

## Jute Industry

Department		Average Monthly Wages		
		Multiple Shift	Single Shift	
	<b>MEN</b>			
Spinning-frames ..	Warp-spinners	Rs As. P. 13 4 0	Rs As. P. 16 14 0	
Roving machines	Rovers ..	12 15 0	14 7 0	
Dessing & Beaming	Sacking weavers	29 5 0	32 1 0	
Winding .. ..	Ward-winders	21 6 0	23 0 0	
Weaving .. ..	Hessian weavers	28 3 0	31 0 0	
	<b>WOMEN</b>			
Sack sewing ..	Hand sewers ..	13 5 0	14 11 0	
Batching softeners	Feeders ..	11 12 0	13 5 0	
Teasers .. ..	Feeders ..	9 6 0	12 9 0	
Finishing carding machine ..	Feeders ..	10 6 0	11 7 0	

<sup>1</sup> Based on an enquiry in 1926.

# India: What Now?

TABLE 10

Wages (Daily wages, figures for 1929)

Co. & Sds	Underground	Surface
<i>Skilled Labour</i>		
Jharia (Bihar and Orissa)	0 12 9	0 13 3
Raniganj (Bengal)	0 12 3	0 11 6
Assam	1 2 3	0 15 9
Punjab	0 12 0	0 14 6
<i>Unskilled Labour</i>		
Jharia (Bihar and Orissa)	0 9 9	0 8 9
Raniganj (Bengal)	0 9 0	0 8 6
Assam	0 14 6	0 12 0
Punjab	0 8 3	0 11 3
<i>Females</i>		
Jharia (Bihar and Orissa)	0 8 6	0 6 9
Raniganj (Bengal)	0 7 6	0 6 0
Assam	—	0 8 0
Punjab	—	0 6 9

In the gin factories, the average daily earnings do not exceed 9 annas for male and 5 annas for female workers.

Against these facts in regard to wages it is necessary to place the figures showing profits earned by some of our industrial concerns. Out of fifty-one mills, thirty-two paid as much as 100 per cent in one or more years between 1918-27, twenty-nine never paid less than 20 per cent; and ten never less than 40 per cent.<sup>1</sup> According to

<sup>1</sup> *Capital (India)*, May 12, 1927.

Brailsford,<sup>1</sup> for every £100 which these mills paid in profits to their shareholders in Scotland, they paid £12 in wages to their Indian labourers. Some of the Indian coal mines have been known to pay 100 and 120 per cent profit on a daily wage of 8d.

The Royal Commission on Indian Labour observed that "it is impossible to expect any high standard of efficiency on the wages now paid in many branches of industry." And yet, without attaining that standard, India can never hope to compete in the world of commerce. The process of industrialisation in India will be retarded by the employment of low-paid and inefficient labour, notwithstanding the high tariffs so insistently demanded by our industrialists.

The same applies to our plantation industries. In 1921, following a revolt of labour, the Government of India appointed a Committee to "enquire into the conditions of coolie labour on the gardens; to ascertain whether wages were adequate in view of the rise in prices; and to make recommendations for improving labour conditions."

The monthly wages based on figures for 1929-30 were Rs 13.8.7 (£1 os. 6d.) for men; Rs 11.1.7 (17s.) for women; and Rs 7.8.6 (11s. 2d.) for children. The Government of India in the Memorandum to the Royal Commission on Indian Labour admitted that the wages paid in tea gardens were not attractive enough when compared with the wages paid by other industries.

The tea garden labourer has no trade union to redress his legitimate grievances. The Government of Assam in the Memorandum to the Labour Commission observe

<sup>1</sup> *Rebel India*, by H. N. Brailsford, 1931.

labouring classes was generally condemned as a "great conspiracy for stifling Indian manufacturers under the guise of philanthropy" In spite of the findings of several enquiries, it was alleged that the introduction of factory legislations was quite unnecessary in India, and that legislative interference of any kind was inimical to the real interests of the country

### 7 *Labour Legislation in India*

The Indian Factory Act of 1881 was passed chiefly through the influence of the British statesmen whose views on factory labour were considerably moulded by Lord Shaftesbury's defence of the defenceless. Although the provisions of the Act were not properly enforced, and most of them could easily be evaded, the passing of the Act had achieved two important developments in certain quarters of India. It stirred up considerable sympathy for the extension of legislative control in the employment of labour in industrial spheres; and, the Government assumed the ultimate responsibility of giving protection to the labouring class. But, notwithstanding the passing of the Factory Act of 1881 and its amendment in 1891, the Government of India throughout the nineteenth century adhered to the doctrine of *laissez faire* in regard to Indian labour.

Meanwhile, some of the European States, alarmed by the growing revolt amongst labour, abandoned the doctrinaire *laissez-faire* policy, and an International Labour Conference was convened by Bismarck in 1890. The Government of India appointed another Com-

## *Indian Labour*

mission in that year, which was followed by a fresh legislation on factory labour in 1891.)

But this Act proved to be inadequate in giving workers the protection necessary. Their condition in some of the mills in Bombay raised a storm of indignation, and the matter was brought to the notice of the Government. The *Times of India* rendered a great public service by its terrible indictment of the conditions in the Bombay mills. In an article under the caption "Bombay's Slaves" // the paper accused the mill-owners of the deliberate violation of the Act, and concluded as follows: ("The system goes on, no check is placed upon the rapacity and greed that is working the life out of tens of thousands of helpless impotent people. The dividends roll in, the mill-owners pass pious resolutions, but the iniquity continues, the bitter cry of the oppressed workers is unheard. Let those who think the story is exaggerated watch, as we did, the saddening and unforgettable sight of these Jades and forlorn victims of the Moloch of gain hurrying to their work once more, after snatching a few hours' sleep.")<sup>1</sup>

(An Act of 1911 for the first time restricted the hours of labour of male workers in textile factories to 12 hours a day; there were also some provisions for improving disagreeable conditions in regard to the health and safety of the workers. But this Act did not fulfil the terms of the Conventions adopted by the International Labour Conference in Washington in 1919, and required to be revised.) The Indian Factories Amendment Act, 1922,

<sup>1</sup> Quoted in *Bulletin of Indian Industries and Labour*, No. 37, by A. G. Clow.

introduced a number of desirable provisions, it prescribed a maximum day of 11 hours, a week of 60 hours for adults, excluded children/under 12 years of age, made the provisions for children applicable to those under 15 years instead of under 14 years, prohibited night work for women

The Act of 1922 was amended in 1926 for the purposes of facilitating its administration, and of prohibiting the employment of children in two factories on the same day. Since 1927 there has been a steady decline in the numbers of children employed in industry on account of unsatisfactory conditions under which they are required to work

Two important labour legislations were enacted in 1923, one, the Indian Mines Act, and the other the Workmen's Compensation Act. The former was prompted by the general principles of protective legislation agreed upon by the Washington International Labour Conference. The prohibition of child labour (under 13) as underground workers, and the limitation of hours of work to 54 below ground and 66 above, are the two distinct features of this long overdue legislative control. The Act left out the question of employing women in underground workings, and made no provision for strict regulation of "shifts".

But even this "mild" legislation was vehemently resented by the employers as uncalled for interference on the part of the State. The Government of India could not, as a signatory to the Washington Labour Convention, and a member of the International Labour Organisation, ignore the conditions of mining that are prejudicial to the interests of the miners. In 1928, and again in 1929,

the Government of India sought to control some of the haphazard and irregular practices in mines.

(A word about the Workmen's Compensation Act. The provisions under the Act are certainly designed to benefit the Indian labour; but one cannot say that the Act has to any great extent fulfilled its object. The authors of the Royal Commission on Indian Labour observe that "it is evident that, up to the present, workmen, and to a less extent their dependents, have not taken full advantage of the benefits conferred upon them by the legislature. . . . That there are large numbers of workmen who do not receive compensation when it is due to them would be clear from the low proportion of claims made on account of disablement."

From this rapid survey of protective labour legislations in India, we may summarise the position as follows:

- (1) that the Government of India assumed, in the first instance, the role of "protector of the poor" under pressure from Victorian radicals;
- (2) that they entered half-heartedly into the task of enforcing the provisions of the legislative measures;
- (3) that "little attempt has been made to educate the workers in their rights and duties under the law. The result is that very few workpeople possess even an elementary knowledge of the factory law and rules";
- (4) that real progress in this direction dates ever since the post-War period, when the awakening of the labourers themselves and the growth of the "international conscience" have become potent factors;
- (5) that the Government of India were more solicitous of conciliating the Indian capitalists than rendering

justice to the labourer. The desire to make use of the advantage which India offers in the direction of cheap and abundant labour was always present in their mind.

### 8 *The International Labour Organisation*

The historians have yet to analyse and evaluate the impetus given to India in almost every sphere of her life since the Great War, but nothing, perhaps, has been so tangibly beneficial to her as her association with the International Labour Organisation. The Conference in Washington in 1919 did not include India as one of the chief industrial States. The Government of India were persuaded to lodge a formal complaint with the Council of the League of Nations, and in 1922 India was given a place in the governing body of the International Labour Office.

In the sphere of protective labour legislation this contact with the international organisation has borne fruitful results, but it has done more. It has awakened the Government and the employers to a sense of responsibility. India's association with the International Labour Office has undoubtedly achieved a remarkable record in creating an organised public opinion in respect of the health and general welfare of the labouring classes. Government in India are fortunate in having a body of public health officers whose selfless devotion to the cause and capacity to face the immensity of the problems inspire hope that, given a free hand in discharging their duties, they will succeed before long in improving the health conditions of the Indian masses.

During the fifteen Conferences held up to 1931 by the

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International Labour Office, thirty-three conventions dealing with a wide range of labour problems have been adopted. The Government of India have ratified, so far, as many as eleven conventions. Even those that are not ratified have to be submitted to the legislatures of each country—a condition which is of special value in educating public opinion in India. The essential features of these conventions and of legislation enacted by the Government should be given wide publicity in India through the media of the important vernaculars.

### *9. The Royal Commission on Indian Labour*

The British Government, mindful of their responsibilities towards industrial and plantation labour, and alarmed at the signs of their growing revolt, appointed a Royal Commission (1929) "to enquire into and report on the existing conditions of labour in industrial undertakings and plantations in British India, on the health, efficiency, and standard of living of the workers and on the relations between employers and employed." The Report of the Commission, published in 1931 (Cmd. 3883), contains a comprehensive survey of a very wide field embracing almost every aspect of the labour problem in India. We must recognise two facts in this connection; that is, (1) that the evils now revealed by the Report must be rigorously suppressed before the conflict between capital and labour assumes serious proportions in India; and (2) that, in the administration of labour laws, labour throughout India must be considered as one single unit.

The central recommendation of the Royal Commission on Indian Labour for the establishment of an All-India Industrial Council is of special significance from the point of view of the proposed new constitution for India.

#### 10 *The Trade Union Movement in India*

The truth of the declaration of the Royal Commission on Indian Labour that "Nothing but a strong trade union movement will give the Indian workman adequate protection" has been realised since the beginning of the twentieth century. But the peculiar conditions of the industries and labour of India made the task extremely difficult and complex. The impermanence of the labour force, the indebtedness and illiteracy of the labouring classes, and the powerful control of labour by contractors and jobbers in industries, and, above all, the apathy of the employers and the educated minority—all militate against the establishment of trade unions. In 1918, the year from when the "epidemic of industrial strife" broke out, there came into existence a number of strike committees. Some of our lawyer-politician class found an occupation, and made bids for leadership as arbitrators in labour disputes. The objective of these committees and unions, while lacking cohesion and purpose, was coloured by political propaganda. In 1926 the Government of India passed the Indian Trade Unions Act to provide for the registration of trade unions and with the object of directing the movement to the legitimate purpose of stabilising relations between the industrialists and their employers.

There is a grave danger of the trade unions in India being drawn into party and communal differences that are certain to be accentuated by the new constitution. And yet in the development of the trade union movement lies the hope of Indian labour. Employers in India, as a class, are not favourably disposed towards this movement; labour looks upon it merely as a means of obtaining grudging concessions from employers; and the political parties find in it an opportunity for a spectacular agitation. Such divergence of objects in trade unionism tends to break up the solidarity of the movement by internal friction—and this is what is happening to-day.

In 1929 the All-India Trades Union Congress met under the Presidency of Pandit Jawaharlal Nehru. Instead of concentrating upon the problem of developing trade unionism as an effective safeguard against labour exploitation, some of the delegates, influenced by the militant type of trade union, such as the Girni Kamgar Union, made an effort to use the movement not only as a political force but as the preparatory ground of a possible army of revolutionaries. The inevitable result followed—there was a serious split in the ranks of the Trades Union Congress.

Our political demagogues cite the Indian trade union movement as an instance of “democracy in action,” as a training ground for democratic discipline among the workers. But if there is any fundamental weakness in the movement it lies in its failure to develop even the rudimentary basis of democratic spirit. Most of our trade union leaders resemble the popular moralists and arm-chair reformers that were not unknown in the Victorian

age in England, and during a crisis they reveal themselves as mere opportunists

The attitude of the majority of the employers, on the other hand, is not commensurate with the responsibility they have for making labour an integral and effective part of the process of industrialisation in India

## II *Labour Unrest in Indian Politics*

The writer came in direct contact with plantation labour in 1922 at the time of the unrest among the Assam tea labourers, and realised then how such a situation might easily be exploited by our political agitators. Ever since the rise of the militant section of the Congress there has been an increasing temptation to use industrial disputes as a powerful means of stirring up the masses, and every effort has been made to draw the trade union movement within the orbit of the Congress

The extraneous pressure thus exerted tends to give a false direction to the trade union movement, but the ultimate source from which labour unrest draws nourishment lies in the appalling conditions of life and labour of our workers in the factories, workshops, and mines

There exists in India a labour movement but not a labour party. Our labour leaders generally belong to a class with whom the labourer has no real identity of interest except in their formal association with the trade union movement, they have no consistent constructive programme for the amelioration of the conditions of labour by concerted action. Even in the sphere of beneficent labour legislation, the inspiration has come from

Geneva and the initiative chiefly from the Government.

During a visit to Madras in 1918, the writer happened to meet a body of "social service workers" who were anxious to organise trade unions. They had honest intentions, a fund of goodwill, but no plans of action; and there was a very great temptation to utilise, or in some instances foment, labour unrest for political ends.

On his return to Calcutta, the writer coöperated with an effort to organise a non-political organisation with the object of bringing about a better understanding between employers and labour, and of drawing together men whose interests in labour organisations are chiefly inspired by the desire for social justice. An organisation under the name of Bengal Labour Federation was formed; but within a very short time the symptoms of internal dissension became conspicuous, and there was a marked tendency on the part of the organisers of the Federation to identify themselves with the disruptive political forces. The constructive programme of the organisation has had no chance under the circumstances created by the predominance of political interests, and consequently he has ceased to take any interest in the movement.

## 12. *Labour—an All-India Problem*

A review of the general operations of factory legislation in India up to the end of the Great War shows that the fundamental difficulty in their enforcement arises, apart from the illiteracy of the labouring class, from lack of uniformity in framing provincial rules in regard to

central labour legislation. The need for a united system of inspection, registration of births, and other administrative measures is realised by those who consider labour as an economic unit related to the general process of advancement of India as a whole.) Its efficiency cannot be the concern of a single province alone. The lack of progress in one province is bound to react on the other. The mobility of labour, for instance, is of considerable importance to the general prosperity of the country, and therefore (restrictions on the movement of labour should be abolished.) The prevailing system of recruitment of labour, whether for the Assam tea industry or for the cotton mills in Bombay and elsewhere, is to be condemned, but the evils so far associated with migration within the provinces must be dealt with on an All-India basis.

There are instances of attempts made by the capitalists to evade provisions of labour legislation in British India by setting up factories in the Indian States.<sup>1</sup> It is therefore important that the Factory Acts in these States should be brought in line with those of British India. A full-fledged scheme of an All-India Federal Constitution is, however, not necessary for achieving this object. Through voluntary cooperation, as in the case of the Imperial Council of Agricultural Research, the Indian States may gradually identify themselves with All-India problems.

In his written evidence before the Royal Commission on Indian Labour, the writer stated that the welfare of our working classes should be a common concern to the whole of India, and, as such, the Central Government

should be very closely concerned with the matter of labour legislation and of general policy in regard to the amelioration of labour conditions. The multiplicity of various units of administration is likely to produce chaos, and, therefore, under the future constitution, provision ought to be made for a Central Labour Council.

The Commission, in the final chapter of their Report, made certain observations which must not escape the attention of the Joint Select Committee on Indian Reforms. They observed as follows: "To divide India, at this stage, into a series of units which could only progress independently would be a definitely retrograde step. . . . We have no hesitation in recommending that legislative powers in respect of labour should continue with the Central Legislature and that the Provincial Legislatures should also have power to legislate. Labour legislation undertaken in the provinces should not be allowed to impair or infringe the legislation of the Centre, or its administration."

The recommendation of the Commission in regard to provision for an All-India Industrial Council in the future constitution for India has a special significance in a country where the birth of a real spirit of coöperation on the part of both labour and capital is likely to be thwarted by communal and political upheavals.

### *13. The Future of Indian Labour*

Perhaps the gravest danger ahead of Indian labour lies in the spread of Communist propaganda. In 1927 a 'Workers' and Peasants' Party was formed "to promote

the organisation of trade unions and to wrest them from their alien control " This party is known to have been inspired by the Communist International, and has succeeded in assuming control over a large number of trade unions in the country

While the influence of the party may be held in check by repressive measures, a feeling of international solidarity that has been evoked by recent events is bound to develop in the labour organisations in India, giving them scope for wider international affiliations The Indian National Congress, having lost in the game of the civil disobedience movement, in which they exploited almost to an extreme limit the patriotic impulse of the middle-class youth, will now look to organised labour for acquiring strength in their offensive tactics against the Government

Since the rise of the militant type of trade union there has been an attempt to persuade the National Congress to adopt a labour platform, but the position of the National Congress under Gandhi's leadership was then strong enough to resist such overtures With the failure of the civil disobedience movement, the Congress will inevitably drift towards the policy of drawing organised labour, landless agricultural labour, and indigent peasants into the arena of political strife. It is in that policy that the National Congress will find opportunities to make their next offensive more severe and more far-reaching in its application Let there be no mistake about it. Whatever form administration in India may take, our supreme task, in the fulfilment of which the Government must take the initiative, is to help this vast sub-continent

to escape the serious consequences that arise from the conflicts between capital and labour. The dictum that "once self-government is attained, there will be prosperity enough for all, but not till then,"<sup>1</sup> has no real significance if the fundamental causes of conflict are not removed. The countries which enjoy the blessings of a form of government known as self-government find themselves in the midst of terrible chaos and confusion.

What, then, must be done? In the first place, the evils exposed by the searching enquiry of the Royal Commission on Indian Labour should be rigorously suppressed. The pursuance of such a deliberate policy may lead to a conflict with the privileged classes who have, under "Pax Britannica," securely organised their interests; but they must be persuaded to realise the gravity of the situation caused by the growing bitterness between them and the workers. The number of disputes has increased in recent years. Any hand-to-mouth expedient provided, for instance, by the Trade Disputes Act of 1928, to patch up industrial disputes is bound to intensify the conflict, and its repercussion both on the community and on the State is fraught with grave risks.

Secondly, our industrialist, in active coöperation with the Government, should adopt a plan for the creation of a permanent labour force. That it is economical and advantageous to the industries concerned is shown by the Assam tea industry. Each of the 70,000 labourers costs, on an average, Rs 150 to recruit. The industry has recently adopted with success the policy of colonising

<sup>1</sup> Quoted from the Presidential Speech of Dadabhani Naoroji at the Indian National Congress, 1906.

the agricultural land adjoining the gardens' On more than 350,000 acres of land, the labourers in the Assam and Surma valleys have become permanent settlers

In other industrial areas I realise there are special difficulties in getting a labour force settled, but they are not insurmountable In the place of *bustis*<sup>1</sup> the slum areas may be converted into a large labour settlement as a part of town-planning schemes, and in the neighbourhood of industrial areas, an attempt may be made to build "garden cities" Unfortunately, the problem of labour settlement has not so far received the attention it deserves, and the labourer's contact with the village is considered to be advantageous "The link with the village is a distinct asset," says the Report of the Royal Commission on Indian Labour

But this asset may prove to be a source of further complications of our labour problem The alliance of industrial workers with the mass of landless agricultural labourers may develop a situation fraught with grave consequences

From the point of view of the administration of law, and of initiating reforms in the condition of labour, the migratory character of our labour force is a serious handicap The creation of a steady, reliable class, on the other hand, may give rise to conditions favourable for establishing personalities between employer and employed

Thirdly, one of the main functions of the Central Industrial Council, as recommended by the Royal Commission on Indian Labour, must be to assist and co-

<sup>1</sup> *Busti* = a collection of huts in the neighbourhood of the mills and factories

ordinate welfare work in industrial areas, and the local Governments should allot a special grant for facilitating the work. Already we have striking examples of selfless devotion to the welfare of the workers. In Ahmedabad, Sreemati Anusuyaben Sarabhai, a sister of the leading mill-owner of the town, inaugurated a movement of great promise. She, by virtue of her social position, and of her noble impulses, exercises great influence with all concerned with the welfare of the mill operatives, and the labour organisations under her direction follow a course of healthy development. Some of the industrial concerns, such as the Buckingham and Carnatic Mills, have done much for the welfare of labour. But the time for piecemeal efforts and for dependence only on voluntary organisations has long passed. The local Governments must realise that their expenditure for coping with the disorders in the industrial areas and for fighting the menace of Communism will increase if the plea of inadequacy of funds is urged as an excuse for not rendering adequate assistance to welfare work. A deliberate policy of social betterment is the only sure defence against Communism. In this connection, it is well for us to remember that the trial of the "Meerut prisoners"<sup>1</sup> cost the country over £125,000, and such emergencies are likely to recur so long as the conditions of labour remain what they are at present.

In India, the Government are the biggest employers and therefore the responsibility of initiating essential reforms and creditable welfare schemes in such concerns

<sup>1</sup> A number of trade union workers convicted of spreading Communism.

over which they have the sole control lies in their hands. They admit that the "home" of the worker in our industrial areas has become "a veritable death-trap." For the sake of industrial efficiency, and of keeping the labour force contented, it is a matter of the utmost importance that they should take a determined action in clearing up these "death-traps."

Lastly, the solution rests with the industrialists themselves. "I would earnestly impress upon employers," observed Lord Chelmsford in a speech before the Legislative Assembly in 1920, "the necessity for sympathetic consideration of the claims of labour. It has too often proved the case that employers, after a long and ruinous struggle, have been forced to concede claims that they might have allowed with honour and with profit as soon as they were presented." His Excellency laid an emphasis on the importance of reestablishing personal contact between employer and employed.

The form of industrialism introduced in India has disfigured a civilisation which claims to have a "spiritual basis," and has loosened the bond of social relationship between the members of the various groups. But the rehabilitation of that bond cannot be achieved by waging war against the machine and substituting for it the "spinning-wheel." What is necessary is to eliminate the evils of competitive industrialism. The depersonalising tendencies may be counteracted by the awakening of a new sense of values, the symptoms of social disturbance—*un malaise social*—are in reality the symptoms of man's failure to adapt himself to the gifts of modern science. It is now claimed that there has been a revival of the spirit

of *Dharma*<sup>1</sup> through the influence of Mahatma Gandhi. If this realisation of ideals is genuine, it should supply the moral basis for establishing a relationship between capital and labour, and for harmonising the conflict between man and his machine. To-day the Nemesis of Western industrialism is before us, and we see the consequences of disturbing the organic unity of economic life. Our task in India, therefore, is to infuse into our industrial organisations the elements of social responsibility, the denial of which has led to the conditions of disequilibrium that are evident in our "fields, factories, and workshops."

<sup>1</sup> *Dharma*, one of Gandhi's favourite words, frequently used in his civil disobedience movement. It means religious and social duty owed to God and man, and embodies an ideal which is claimed to have moulded in the past all the relationships of Hindu life. It is the nearest synonym in our own language that occurs to Tagore for the word "civilisation."

## CHAPTER IV

### THE LOWLY AND THE LOST

#### I *Statement of the Problem*

Ever since the architects of the Indian constitutional edifice have been engaged in finding material for the construction of a representative and responsible form of government, a number of incongruous elements in the basic structure of Indian social life have appeared in sight with increasing clearness, but none has proved so utterly irreconcilable to the growth of stable political life as the existence of the millions of India's population, known as the "depressed classes." During the great agitation of 1905 our political showmen tried to draw these untouchables into the political arena by "feasts"<sup>1</sup> and to day the leader of the Congress aims at achieving the object by "fasts." Meanwhile, forces are at work by which the depressed classes may develop into a separate and distinct communal entity, creating yet another source of antagonism in the national life.

But this is the inevitable result of the process of disintegration that has been allowed to undermine the basis both of the Hindu social structure and of corporate life. For years past, our political philosophers held the view that the ideal of the development of Indian polity was to

<sup>1</sup> Spectacular public dinners arranged by agitators, where a few caste Hindus, untouchables, and Moslems all joined together.

build a strong and durable body for "a distinct, powerful, well-centred, and well-equipped corporate ego."<sup>1</sup> Commenting on the mosaic of diverse races, as it exists in India within one geographical area, a well-known Hindu scholar<sup>2</sup> said: "The diverse ethnic types are all essential to the full unfolding of the plan and pattern of universal humanity, under our multiform geographical and historical conditions." But the caste Hindus represent such an immense and tenacious community, forming a veritable hierarchy, that the depressed classes can no longer retain any faith in the ideals or the conscience of those from whom they suffer an intolerable humiliation. That is why the representatives of the depressed classes to-day demand with the utmost stubbornness the opportunities for a separate political existence.

In 1918 the writer had the privilege of joining Rabindranath Tagore in his tour in Southern India. There began the writer's first acquaintance with the conditions of life of that class of India's population known as "the untouchables."

At the entrance to a Brahmin village through which we had to pass in order to reach the house of our Brahmin host, our horse carriage suddenly stopped. The coachman dismounted, and left the carriage to be driven by one of our host's servants, and only at the extreme end of the village was our untouchable coachman allowed to resume his duty, as he could not possibly drive or walk through the main thoroughfare of a *Brahmin* village.

The same evening a gentleman of the town of Palghat

<sup>1</sup> See the writings of Aurobindo Ghosh.

<sup>2</sup> Sir Brojendra Nath Seal.

(Southern India) explained to me the deeper meaning of the social system that stigmatised many millions as being "untouchables," and incidentally related the story of a tank pollution case then going on in the court against a member of that community, for walking on the banks of a tank attached to a temple, and allowing his *shadow* to fall on the water!

While in the Presidency of Madras, especially in Malabar, the curse of untouchability has reached the climax of unapproachability, the position of the depressed classes throughout India bears more or less a common physiognomy—such is the influence and pressure exercised by the Brahmin hierarchy.

The imposition of numerous restrictions upon the social and economic life of the depressed classes is carried to an extreme so ridiculously absurd that only those who have actually witnessed them can believe in their existence. The depressed classes are often seen to carry certain vessels (as spittoons, tied to their breast) so that they may not pollute the high road, they are required to carry bells, or cry out their presence as a warning to the caste Hindus so that they may not come within the distance of sixty-four feet. Some of the depressed classes in Gujarat wear a horn as their distinguishing mark.

## *2 The Depressed Classes and the Aboriginal Tribes*

The depressed classes belong to the lowest strata of the Hindu society. They are recognised as Hindus by religion, but the institution of caste, which I shall explain presently, relegates them to a sub-human existence.

## *The Lowly and the Lost*

The Report of the Indian Statutory Commission (1930)<sup>1</sup> sums up the position as follows:

The depressed classes "constitute the lowest castes recognised as being within the Hindu religious and social system. In origin, these castes seem to be partly 'functional,' comprising those who followed occupations held to be unclean or degrading, such as scavenging or leather working, and partly 'tribal,' i.e. aboriginal tribes absorbed into the Hindu fold and transformed into an impure caste. Their essential characteristic is that, according to the tenets of orthodox Hinduism, they are, though within the Hindu System, 'untouchable'—that is to say, that for all other Hindus they cause pollution by touch, and defile food or water. They are denied access to the interior of an ordinary Hindu temple (though this is also true of some who would not be classed as 'untouchable'). They are not only the lowest in the Hindu social and religious system, but with few individual exceptions they are also at the bottom of the economic scale, and are generally quite uneducated. In the villages they are normally segregated in a separate quarter, and not infrequently eat food which would not be touched by any other section of the community. A large proportion of them are landless agricultural labourers employed by cultivators for a small remuneration; others of them work in big industrial aggregations."

These classes are again divided into several hundreds of sub-castes, and there are untouchables who themselves can be polluted by the touch of other groups of their own community.

<sup>1</sup> Vol. I, p. 37.

There are numerous aboriginal tribes within the borders of India. Some of them have been absorbed into the ranks of the depressed classes, but the tribes whose religious faiths are primitive and obscure constitute a large community. They live mainly in certain hill and jungle regions which for administrative purposes are known as the "backward tracts." Here in this isolation they retain to this day their archaic speech, customs, and manners, their mode of life, beliefs in the spirits which they conceive to reside in natural phenomena, their various ceremonies of commemoration and of communion with the dead—for all these subject-matters of the study of prehistoric and crude culture the "backward tracts" and their inhabitants offer a unique opportunity. "These races," observes the Report of the Indian Statutory Commission, "must be among the most picturesque in the world, and until their energies are sapped by contact with civilisation they remain among the most light-hearted and virile."

### *3. Numerical Strength*

The untouchables are found all over India. It is difficult to make an accurate estimate of their numbers, which vary in accordance with the criterion of untouchability. Opinions differ in regard to that criterion, one may either take it to be the pollution of a caste Hindu by touch or approach, or the intolerable disabilities imposed on them by numerous restrictions on normal social life. Their numbers, names, characters, and functions are infinitely diverse.

The Scarborough Committee in 1919 put the number at 42·2 millions, which was a million less than the figure supplied by the census of 1921. The Indian Statutory Commission arrived at the figure 43,600,000,<sup>1</sup> while the Provincial Government's estimates supplied to the Indian Franchise Committee (1931) record about 37·5 millions. Leaving aside the subtleties of definition, the total number of the classes who occupy the lowest status in the Hindu community would be somewhere between 55 and 60 millions. The tribal population in the Chittagong Hill tracts, in the Presidency of Bengal, alone is about 170,000. In the neighbourhood of the north-eastern frontier there are primitive peoples who must in the aggregate number some hundreds of thousands.

#### *4. The Institution of Caste*

Taking the Hindu population as a whole, the census report finds as many as 3,500 castes. The word "caste" comes from the Portuguese term *casta*, which signifies "breed." The Sanskrit terms are *varna* (that is, colour) and *jati* (that is, hereditary group).

The groupings are formed on varying bases. Weavers, cobblers, carpenters, potters, cattle-breeders, and astrologers belong to occupational caste; *chandal*, *mahar*, *nayar*, *koli*, are a few of the numerous examples of "race-castes"; and the *lingayat* is known as a sectarian caste. Broadly speaking, caste must have originally developed from racial distinctions; but, through interaction between

<sup>1</sup> That is, 19 per cent of the total population, or 30 per cent of the Hindu population.

social and economic life, and owing to the gradation of cultural status among the multiplicities of races, the institution of caste circumscribed a social orbit for each group. If the institution may be credited with the function of a solvent of racial conflict, it has given rise to sharp social distinctions altogether unfavourable to the harmonious development of national polity. The positive mischief lies not so much in the lack of harmony between the divergent groups as in the creation of hopelessly anti-national characteristics in Indian life.

But, since the complex structure and stability of the entire Hindu community depends upon this "unique and hoary institution of caste," its supporters discover in it an inherent ideal of harmonization of social conflict. "Her [India's] caste system is the true outcome of the spirit of toleration," writes Tagore, "for India has all along been trying experiments in evolving a social unity within which all the different peoples could be held together, while fully enjoying the freedom of their own differences."<sup>1</sup>

The integrating function of the caste system, however, ceased some time about the tenth century, and now chokes up all the channels of inter-relationship between the component parts of the Indian social structure.

What circumstances conspired to obstruct "the true course of our historical stream" are not discussed here, but the singular factor that appears to me so significant lies in the decadence of the patrician aristocracy which for centuries held together different races and differing temperaments. The patrician *milieu* created "unities"

<sup>1</sup> *Nationalism*, by Rabindranath Tagore

out of the loose elements of group life and harmonised conflicts by elaborating a specific ideal of unity in diversity. All that has now decayed, and in its place there has arisen a form of aristocracy based solely on wealth and glamour. Its allegiance is not to the people but to the mechanism of the State.

Yet in the revival of the true spirit of aristocracy lies the hope of arresting the evils that disintegrate Indian social life. The social stratification of various groups at the time of Buddha became extremely complex by gradual infiltration of communities outside the four main divisions of the caste system; but Buddhism attempted to harmonise the inter-relationships not only by preaching toleration but sought to give a new value to Brahmin aristocracy.

A Buddhist text<sup>1</sup> runs as follows:

“It is mere empty words to give it out among the people that the Brahmans are the best caste and every other caste is inferior; that the Brahmans are the white caste, every other caste is black; that only the Brahmans are pure, not the non-Brahmans; that the Brahmans are the legitimate sons of Brahma.” The emphasis was laid on the question of conduct or character rather than on the accident of birth.

“He who does not injure living beings in any of the three ways, thought, word, and deed, is a Brahman; the Brahman does not speak an untruth from anger or for fun; by one’s actions one becomes a Brahman or Kshatriya or Vaisya or Sudhra.”<sup>2</sup>

<sup>1</sup> Quoted in *Journal Royal Asiatic Society*, 1894, p. 360.

<sup>2</sup> *Uttaradhyayana Sutra XXV*, 23, 24. Four main orders of the caste system are mentioned here.

## 5 *The Origin of the Depressed Classes*

The subject is of mere academic interest and has, in recent years, raised controversies over the historic circumstances that led to the segregation of some 60 millions of India's population into such rigid socio-religious groups

Perhaps the idea of preserving their own integrity and "race purity" impelled the Aryan conquerors of India to raise impregnable barriers which, in the passage of time, obtained religious sanction. Their attitude towards the early races of India was somewhat like that of a European planter towards a "nigger", but being faced with a congeries of races already living in India, and with a steady infiltration of various races from her borders, they avoided the problem of racial conflict by basing the differentiation they felt to be necessary largely on social behaviour. The character of the conflict was, in the main, cultural.

The traditional view is that the rigid formula of social behaviour towards the non-Aryans was challenged by Buddhism, and that so long as its influence remained in India the antagonisms of Hindu society were held in check. With the disappearance of Buddhism, the priest-craft "fanned into flame" the decadent creed of Hinduism by means of resurrecting, among other rites and ritualism, the perverted attitude towards those who had divergent standards of culture.

There is also a theory that the origin of untouchability can be traced to the doctrine of *Ahimsa*.<sup>1</sup> It was held

<sup>1</sup> *Ahimsa* may be defined as the spirit of reverence towards all animate beings, and is one of the cardinal principles of Buddhism and Jainism.

that this legacy of Buddhism was tenaciously preserved by the hierarchy of Hindu priests, and all destroyers of life were looked upon as untouchables.

There are interesting legends in connection with the formation of castes and sub-castes. One of the legends in regard to the *chamars*<sup>1</sup> is as follows. Five brothers, all Brahmans, one day went for a walk and saw the carcass of a cow lying on the road. Four of the brothers passed it by, but the fifth thought it wise to remove the body. His brothers consequently excommunicated him, and his descendants became the *chamars* with the hereditary profession of removing carcasses of dead animals. The legend illustrates the functional basis of caste-formation.

But occupation was not the criterion of caste-formation during the Vedic age. In Rig-Vedic literature a sage says: "I am a composer of hymns, my father is a physician, my mother grinds corn on stone. We are all of different occupations." The caste with its rigid restrictions against the subordinate classes, such as the *sudras* and the Non-Aryans, grew chiefly out of ethnic and cultural differences; and the pollution and untouchability resulted primarily out of hygienic and eugenic considerations. The untouchables known as the *chandals*<sup>2</sup> are regarded as the offspring of a low-caste father and a Brahmin woman. The severe restrictions imposed on them mark the abhorrence of marriage relation between the Aryan and Non-Aryan races. The *chandals* are re-

<sup>1</sup> *Chamars* = the outcaste leather-workers.

<sup>2</sup> *Chandals* are usually corpse-bearers; they are made to do all sorts of dirty work for the community as a whole.

quired to dwell outside the village area, their presence within a certain distance involves pollution and in many respects they are treated worse than their fellow-untouchables

### 6 Their Caste Organisations

Almost each of the untouchable groups, especially those who belong to the functional castes, has a well-organised and influential council (or *panchayat*) directing the affairs of the community. A brief outline of the organisation of the group of untouchables known as the *chamars* (according to the census they number about 12 millions) may be given here.

The caste community consists of all the adult members of the caste and sub-castes to which the *chamar* belongs residing in the village. Usually representation in the *panchayat* is by families. The chief (*pradhan*, *mukhiya*, etc.) of the council is elected for life, but continuation in office depends upon good conduct and competency. A vice-president (*naib-panch*, *daroga*), whose main duties are to summon the council and to assist the chief in administrative work, is chosen by the *panchayat*, he is a more or less permanent officer of the council, from which he gets a small remuneration. The chief, in addition to certain fees, gets a percentage of all fines, connected with trials, conducted by the *panchayat*. Where the community is small, a group of villagers joins together in forming a council. The investiture ceremony (*pagri dalna*) of the chief is of great importance in the social life of the community, the male members of which assemble on a day fixed for the function. Prior to this "a careful examination

is made as to the candidate's fitness for the office and as to his character."

The proceedings of the investiture are as follows:<sup>1</sup> "First, with the use of a *lota* (jug) and a ~~basin~~ basin, there is a general foot-washing ceremony. This is followed by a fire sacrifice (*hom*), after which the candidate is conducted to a conspicuous place in the midst of the assembly. A white *pāgri* (turban), together with a customary fee of Rs 1 $\frac{1}{4}$  and a coconut, are then presented to him. Occasionally a *tika* (mark) is made on his forehead with *haldi* (turmeric)." Then the assembly greets him as the head man, signifying that the community has trusted him with its interests.

The ceremony ends with a feast in which country spirits add to the gaiety and mirth of the happy crowd. The expenses of the ceremony are met by a public collection.

The jurisdiction of the *panchayat* is, in the main, local, and deals with matters connected with the discipline of the social organisation. Petty quarrels, disputes over money transactions and debts, and questions affecting the welfare of the community as a whole, come under the discussion of these village councils.

Of the tribal organisations, the *Santals* exhibit a superior and elaborate system. They belong to a tribe of the *Munda*<sup>2</sup> stock, and number well over two millions. The village *panchayat* consists of the headman (*manjhi*) and other officials elected by the male adults of the village annually at a ceremony called *magh-sim*. The principal village officials consist of a deputy (*pramanik*), the

<sup>1</sup> See *The Chamars*, by G. W. Briggs, 1920.

<sup>2</sup> *Munda*, a Dravidian ethnic type, according to Grierson.

priest (*naike*), the messenger (*gorai*), and a chief executive officer (*jog-manji*) The duties of the latter are to execute orders of the *panchayat*, and also to exercise general control over the discipline of the community

A number of villages in the neighbourhood of each other may be brought under a single organisation, the head of which is called *Parganai*, that is, circle-headman, and the jurisdiction of a group of circles is known as *Bango*, a sort of General Assembly of the tribe The internal disputes are generally settled, and the discipline of the communal life maintained by the *panchayat* Cases regarding land disputes, serious crimes, violation of caste rules, etc., are investigated by three judges, one for the complainant, one for the accused, and the other on behalf of the village Assembly This court is called *salis* (arbitration)

#### 7. *Economic Servitude*

The depressed classes are obliged to pursue occupations chiefly hereditary in character Since their spheres of economic activity are restricted, and the standard of living is extremely low, they form a very convenient source of cheap labour supply

Living on the outskirts of the village or town, and on the verge of starvation, they are always at the beck and call of the caste Hindus The mines, leather industry, and cotton-weaving are some of the industries which draw a portion of their labour supply from the depressed classes The filthy jobs in the tanneries are mostly undertaken by the untouchables

Whether in the factories or in the mines, the employers do not allow themselves to forget that the labour of the depressed classes and the aboriginal tribes can be secured cheaply, and that they work ungrudgingly in an environment where no other castes would be prepared to work. Recording their impressions of the tanneries, the authors of the Royal Commission on Indian Labour write: "We were struck by the lack of adequate sanitary arrangements, which make the bulk of such places even more offensive than is inevitable from the nature of the industry. Adequate drainage was absent. Often the whole earth floor-space, spread over a wide area, was littered with heaps of evil-smelling refuse and sodden with pools of filthy water. There were no washing arrangements and, in the majority of cases, there was no latrine accommodation. In a number of instances, the workers had no alternative but to eat the food they had brought with them in the midst of such surroundings. Hours were long, often twelve, and sometimes in excess of twelve. . . . We feel that the statutory protection of the workers in this industry is essential because of the nature of the work and the class of workers employed, which from long social tradition is peculiarly powerless to help itself."

Outside the industrial areas, the depressed classes depend chiefly on agriculture. For instance, about 75 per cent of the *chamars* are engaged in farm-work, either as a labourer or a tenant-at-will. They are paid in kind, and often given the poorest land to till.

The position of the *chamar* engaged in agriculture has, until recently, been that of a serf, tied to the soil and transferred with it. When an estate was divided, no

sharer would consider the partition complete until an adequate number of *chamars* had been allotted to him in proportion to his interest in the land<sup>1</sup>

Also, in other spheres of economic life, the untouchable occupies a very low place "The *begar* system is firmly entrenched in the rural life of the country," and in spite of persistent agitation against this form of serfdom the system flourishes

In parts of Bihar and Chota Nagpur, the *santals*, the *kols*, and the *gonds* pursue agriculture under the conditions of bond-slaves. The *paraiyans* and the *pulayas* of Southern India, and the *barias* of Gujerat, live in abject poverty, their only means of livelihood is to work as labourers during the agricultural season. In the district of Bardoli (Gujrat) it is estimated that there are about thirty thousand *Dublas* who labour for their masters as their serfs

A noble English missionary,<sup>2</sup> after his tour in Gujerat, writes "They get into debt to their masters and have to repay their debts by work which lasts a lifetime. Though legally free, they are not supposed to change their masters, and their spirit has become completely crushed. I have seldom seen a more pitiable sight than these serfs in bondage."

The acute poverty of the bulk of the depressed class population is reflected in the environment in which they live, and it is an undeniable fact that those who depend on them for cheap and dirty work do not encourage any movement for their advancement. Yet their misery glares upon the country in all its squalid hideousness

<sup>1</sup> See *Imperial Gazetteer of India*

<sup>2</sup> Father Elwin, in the *Bombay Chronicle*, January 15, 1931

## *The Lowly and the Lost*

Only those who have seen pariah-villages may realise the root cause of the tragic sense of pessimism that darkens the souls of these millions. Life to them is really burdensome; and it is this depressing condition of their existence that finds an expression in songs like this:

How many births are past, I cannot tell,  
How many yet to come no man can say;  
But this alone I know, and know full well,  
That pain and grief embitter all the way.<sup>1</sup>

### *8. The Education of the Depressed Classes*

According to an estimate made by the Government of India, the number of pupils belonging to the depressed classes in recognised institutions in 1917 was over 295,000; in 1929 the figure is reported to have exceeded a million. In Bengal the number of the depressed class pupils increased from 96,000 to 344,000 during the decennium 1917-27; but the figures from other provinces are less encouraging. In all the provinces not more than 50,000 girls of the community receive primary education in any recognised institution at all. For various reasons the process has been extremely slow and much leeway has to be made up if this community is to be in possession of those rights without which there can be no real solution of a problem that has a very definite political significance. The economic condition of the great majority of the depressed classes, the existence of social barriers and customs, and the absence of organised efforts from the

<sup>1</sup> A South Indian folk-song, translated by C. A. Mason, in *Lux Christi*.

representatives of the depressed classes themselves are responsible for both inadequate and inefficient educational facilities. And the educational authorities in India cannot be exonerated from their share of blame in this matter. Not only have they failed to enforce legitimate treatment of the depressed classes in schools under Government control, but no special arrangement has been made to overcome the obstacles that impede progress, yet they know that the welfare of these submerged masses is largely dependent on educational opportunity.

The Report of the Education Committee of the Indian Statutory Commission gives an account of the social disabilities in relation to the education of the depressed classes. It says "The education of these classes raises a question of great difficulty and importance since their children are, in many places, actually excluded from the ordinary public schools on the ground of caste alone. While it is true that caste prejudice is in many areas rapidly disappearing, it is difficult to exaggerate the disadvantages under which members of the depressed classes suffer in some places. In some areas, an 'untouchable' still causes pollution by presence as well as by contact, and in these areas many of the public roads and wells cannot be used in daylight by the depressed classes. Publicly managed schools are not infrequently located on sites which are entirely inaccessible to the depressed classes, and even in those areas in which their children are admitted to the ordinary schools it often happens that the depressed class pupils are made to sit separately in the class room or even outside the school building."

The difficulties and intolerable grievances described

above are undeniable. The writer has seen the pitiable sight of segregating the depressed class pupils from the rest in the class-room. There are many instances where they are obliged to stand outside the school and take their lessons through the window.

Since the inauguration of reforms, the legislators have shown their anxiety to remove the bar to the admission of pupils from the depressed classes to the general schools. Emphatic regulations and orders designed to secure the object were passed, but only in a few instances were they carried out. The tyranny of the teacher in charge of the school and the controlling voice of the local bodies dominated by the caste Hindus render the Government orders ineffective, and the special supervision by the Provincial Governments is altogether inadequate. Thus, the benevolent intentions of the legislators do not translate themselves into practice.

It has been suggested in some quarters professing to appreciate the need of educating the depressed classes that the Government should adopt the policy of providing "segregate schools" for them. There are, as a matter of fact, a number of such schools, but the policy of segregating the depressed classes from the other communities in educational institutions is extremely unwise. It will aggravate, rather than cure, the curse of untouchability and unapproachability.

The rigid exclusion of depressed class pupils from the ordinary schools, or the differential treatment accorded to them, is, however, gradually breaking down, and the suggestion for special schools is therefore positively mischievous at this stage, and must not be pressed.

One of the terms in the Poona agreement<sup>1</sup> deals with the provision of educational facilities for the depressed classes and suggests ear-marking an adequate sum for the purpose in every provincial budget. The gesture is indeed a generous one, but one hopes that the separate budget item will not lead to a policy of a special Department of Education for the depressed classes.

The urgent need for their education is to train teachers, and for this the writer knows of no other system so admirably suitable as that which has been adopted at Moga<sup>2</sup> in the Punjab. It is the work of a body of earnest American missionaries, and its record of progress holds out gratifying prospects for training teachers for the rural community. The Director of Public Instruction in the Punjab observes "The most interesting and valuable contribution to educational progress in India during the last few years has been the work at Moga. The objects of this work are to provide a form of training to boys of the depressed classes, which would enable them to return to their villages as teachers and to become a rallying point to the whole community."

The leaders of the depressed classes whose gaze is now fixed upon parliamentary representation must know the ultimate value of developing these rallying points, as bases for defending the rights of their community.

<sup>1</sup> See page 205.

<sup>2</sup> *New Schools for Young India*, by William J. McKee.

## 9. *The State and the Depressed Classes*

In a sub-continent when some 60 millions of its population suffer from peculiar social taboos, the State, based on the doctrine of the equality of all citizens before the law, has a special responsibility in protecting their civic rights and privileges.

The depressed classes are not allowed to draw water from the wells provided from public funds; they are excluded from schools supported by grants from the Government; or, when allowed, the depressed class pupils are carefully segregated from the rest. The local authorities "leave the roads unmended rather than employ untouchable labourers to repair them." Restrictions are imposed on them in regard to entry to the Courts of Justice.

Yet this submerged humanity of 60 millions has a pathetic faith in the sense of justice of the British Government. The *mahars*,<sup>1</sup> for example, placed their case before the Indian Statutory Commission and in an address presented to Lord Irwin they declared as follows:

"We shall fight to the last drop of our blood any attempt to transfer the seat of authority in this country from British hands to the so-called high-caste Hindus who have ill-treated us in the past and would do so again but for the protection of British laws."

When questioned in regard to the inadequacy of the application of the law for securing equal privileges in civic life, the Government apologist reminds us of the principle of neutrality in socio-religious matters. But there

<sup>1</sup> A particular caste of Bombay Presidency outcastes.

is no reason whatsoever for the State not exercising its basic principle of equality irrespective of caste and creed. A determined application of this principle alone can release the forces that would make the question of the depressed classes "a dynamic question." The fear of severe opposition from the Hindu orthodoxy is often exaggerated and it should not deter the Government from fulfilling their duties towards the untouchables. I know of instances where the Registrar of the cooperative movement, a member of the Indian Civil Service, refused to tolerate the practice of segregating the outcasts in meetings of the cooperative organisations. So far, we have not heard of any riot caused by this attitude of a British officer in whose honesty of purpose the entire community has confidence.

In recent years a few of the members of the depressed classes have entered Government services, but "they are still almost entirely debarred from the two key services of the Army and the Police. Indeed, regarding the Army, Government policy in India has been steadily retrograde. For, from our earliest days in India and until very recently indeed, Untouchables were recruited for military service fairly freely, but successive Army reorganisations have weeded them out. In the Police services their numbers were never more than negligible, and it will be long enough before conditions are such as to allow them to enter that service at all freely."<sup>1</sup>

In a recent book<sup>2</sup> on the Indian Police, the writer

<sup>1</sup> *Reforms in India and the Depressed Classes*, by Professor J. Coatman, C.I.E., *Asiatic Review*, January 1933

<sup>2</sup> *The Indian Police*, by J. C. Curry

stresses the fact that the police force itself is built upon the caste system; but claims that this utilisation of a system so repugnant to the British mind "has secured a standard of efficiency which would have been unattainable in any other way." The administrative difficulties arising from the objection of high-caste Hindus undoubtedly exist, but it is deplorable that a social evil should be allowed to influence the Government in restricting the employment of the depressed classes in the public services.

The policy of "non-intervention" in social matters and the maintenance of the *status quo* may have earned for the Government the loyalty of the propertied and privileged classes of India; but the time has come for a revision of that policy.

#### 10. *The Birth of a Constitutional Issue*

The removal of untouchability has been one of the chief items included in the programme of the Congress since 1920-21. Gandhi's desire to lend the full weight of his leadership to the cause of removing this curse from our body politic was, indeed, laudable, and he succeeded in creating a stir within, and outside, India.

But this undue emphasis on one of the many evils that exist within the fold of the disintegrated Hindu social life has given birth to a constitutional issue that is bound to develop further complexities in the inter-relationship between the caste Hindus and the depressed classes. The subject of defending the political claims of this "long-oppressed minority" received very brief

treatment in the Montagu-Chelmsford Report, and in the working of the reforms that emerged from that Report the problem of this minority did not assume a serious aspect By an inexorable decree of fate, the protection of the depressed classes has to-day become a serious constitutional issue

The leaders of the voiceless depressed classes, anxious to fall in with the other political groups in the legislatures, demanded their representation by election and *not* by nomination The die was thus cast for a separate electorate for the depressed classes, and in the conferences and committees that were held in connection with the Indian constitutional reforms the conflicts between their leaders and other members of the Hindu community created a most regrettable and undignified situation The challenge to Gandhi regarding his right to speak for the depressed classes was regarded as "one of the most dramatic episodes of the whole Round Table Conference" It amused the spectators and bewildered the public Gandhi opposed the demand for separate electorates in the following words

"I can understand the claims advanced by other Minorities, but the claims advanced on behalf of the Untouchables is to me the 'unkindest cut of all' It means perpetual bar sinister I would not sell the vital interests of the Untouchables even for the sake of winning the freedom of India I claim myself, in my own person, to represent the vast mass of the Untouchables . . I claim that I would get, if there was a referendum of the Untouchables, their vote, and that I would top the poll And I would work from one end of India to the

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other to tell the Untouchables that separate electorates and separate reservation is not the way to remove this bar sinister. . . . Sikhs may remain as such in perpetuity, so may Moslems, so may Europeans. Would Untouchables remain Untouchables in perpetuity? I would far rather that Hinduism died than that untouchability lived. I do not mind Untouchables being converted to Islam or Christianity. I should tolerate that, but I cannot possibly tolerate what is in store for Hinduism if there are these two divisions set up in every village. Those who speak of political rights of Untouchables do not know India, and do not know how Indian society is to-day constructed. Therefore, I want to say with all the emphasis that I can command that if I was the only person to resist this thing I will resist it with my life."

Gandhi's opposition to the principle of separate electorates is justifiable not only from the moral standpoint but from the urgent need of maintaining peace within the Hindu community. He foresees a grave danger of a fresh communal tension between the depressed classes and the caste Hindus, and a severe set-back to the work of social reformers, if the depressed classes are segregated by the creation of separate electorates. The danger was apprehended by the Indian Statutory Commission which says:

"A separate electorate for depressed classes means, as a preliminary, a precise definition of all who are covered by the term, and the boundary would be in some cases difficult to draw. It means stigmatising each individual voter in the list and militates against the process which is already beginning, and which needs to be in every

way encouraged—that of helping those who are depressed to rise in the social and economic scale ”

The second session of the Round Table Conference dispersed without any settlement of the communal disputes Our political leaders who were called upon to find ways and means of working a complex Federal Constitution for India humiliated themselves by asking the Prime Minister and his Government to give them an award in settlement of their various disputes His Majesty's Government readily acceded to their prayer and the communal award was delivered to them in due course

The award allotted provisionally seventy-one special seats in the provincial legislatures for the depressed classes to be filled by election from special constituencies in which members of that community electorally qualified would be entitled to vote, but they were not barred from voting in a general constituency That is, a system of plural voting for the depressed classes was suggested by the communal award The allocation of seats in provinces varied in accordance with the strength of the depressed class population

While the communal award was regarded by His Majesty's Government as the best possible solution of protecting the political rights of the depressed classes, Gandhi discovered in it a dangerous element that would “perpetuate the bar sinister” for the community He was, therefore, determined to resist it with his life

The immediate result of Gandhi's fast was an agreement between the caste Hindu and the depressed class leaders which is known as the Poona Pact of September 24, 1932

The Pact provides that: (1) there shall be seats reserved for the depressed classes out of the general electorate seats in the provincial legislatures; (2) election to these seats shall be by joint electorates, subject, however, to the following procedure: All members of the depressed classes registered in the general electoral roll of a constituency will form an electoral college, which will elect a panel of four candidates belonging to the depressed classes for each of such reserved seats by the method of the single vote, and the four persons getting the highest number of votes in such primary election shall be the candidates for election by the general electorate; and (3) the representation of the depressed classes in the central legislature shall likewise be on the principle of joint electorates and reserved seats by the method of primary election in the manner suggested above. In the central legislature 18 per cent of the seats allotted to the general electorate for British India shall be reserved for the depressed classes.

Under this agreement members of the depressed classes will, for the first ten years, select a panel of candidates for election in each constituency; the actual election will be by the whole Hindu electorate, caste and outcaste together, but a number of seats will be reserved so that those on the depressed classes panel will be guaranteed a number of seats, whether they top the poll or not. The total number of seats for all India is 148. It will be seen that the distinction between caste and outcaste is still recognised in the "primaries," but this distinction is not to remain for ever.

The Poona agreement is undoubtedly a gesture of

marked generosity on the part of the caste Hindus, but it places upon the depressed classes a great weight of responsibility. For instance, if 18 per cent of the seats in the central legislature are to be allotted to them out of the total of 450, they must find 81 representatives competent enough to take part in the legislature. Perhaps the ambition of a political career may inspire some of our educated caste Hindus to declare themselves untouchables.<sup>1</sup>

### II *The Temple-entry Movement*

In the face of such stupendous disabilities, Gandhi's insistence on admitting them to the temple seems like offering "dead sea fruit" to the depressed classes. But Temple-entry is a symbol of recognition of equal rights, and once it is accepted by the orthodox, reforms in other spheres of social life will not perhaps be difficult. Ten years ago, the depressed classes of Vykom (Travancore, Madras Presidency) led an organised movement to secure permission to worship in the temple, but with no permanently successful result. But since Gandhi's threat to "fast unto death," the news of the success of the Temple-entry movement came from all parts of India. The famous *Kalighat* temple in Calcutta, and the *Jagganath* temple at Puri have been thrown open to the depressed classes. Under Gandhi's influence, members

<sup>1</sup> According to Hindu Scriptures, a man is not untouchable by birth, it is only by his deeds and merit that he becomes or ceases to become untouchable. In that case, a caste Hindu, by performing certain deeds, may easily register himself as an untouchable!

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of the Congress party have opened hundreds of wells for the depressed classes; in South India they have compelled the high-caste Hindus to open certain roads that had been closed to the untouchables.

Yet the depressed classes remain doubtful about their inequalities and disabilities being removed successfully by such demonstrations. In Gandhi himself they have undoubtedly immeasurable confidence; they know that he suffered great persecution for championing their cause, and that to him this movement has a spiritual significance.

But the strongest citadel of the caste Hindus is the structure of their mediaeval mind. It has lost its freedom in the barrenness of socio-religious customs; but its dead walls offer great resistance to the forces of new adaptation and life. Gandhi's social programme of self-purification seems to have no permanent appeal; consequently the enthusiasm for the Temple-entry movement is already on the wane. To make a persistent and organised attempt for obtaining "better living" for the depressed classes is more vital than securing an entry into the temples or into the legislatures.

As for freedom of worship, let the depressed classes be told the famous epigram of Guru Nanak<sup>1</sup>: "God preferreth no temple; He abideth in every heart."

### *12. "The Dark Inversion of Spirituality"*

In an introduction to a book on India,<sup>2</sup> George W. Russell (Æ), the famous Irish poet, has a sentence

<sup>1</sup> Guru Nanak, the founder of the Sikh religion.

<sup>2</sup> *Living India*, by Zimand Savel, 1928.

which I believe summarises the contradiction between Indian religious concepts and evils that obtain religious sanction "Their devilry," he says, "is the dark inversion of their spirituality"

The organised efforts towards the removal of social stigma against the depressed classes began towards the latter part of the last century, but the movement was inspired by an alarming increase of mass-conversion to the Christian fold, rather than by the desire to secure humane treatment for the untouchables

It is a fashion to talk about the Indian races being profoundly religious, and to boast of ancient piety that is claimed to have supplied the vision of unity among divergent races and creeds The life-blood of the Hindu race is spirituality, and "if it flows clear, if it flows strong and pure and vigorous, everything is right, political, social, and any other material defects, even the poverty of the land, will all be cured if that blood is pure," declared Swami Vivekananda at the end of the last century But that life-blood in us is lacking in strength and purity, and we are consequently unable to resist the impact of external forces

Gandhi's championship of the cause of the depressed classes, though confined to the removal of some of the outrageous disabilities from which they suffer, brought upon himself the anger of the orthodox He himself believes in the *Varnaashram Dharma*, that is, the fundamental concepts on which the caste system is based, and glorifies Hinduism as having "rendered a great service to mankind by the discovery of, and conscious obedience to, this law of *Varna* [colour]" Yet his attack upon

untouchability is looked upon as a source of anarchy perilous to the integrity of a social structure based on caste principles. Simultaneously with the growth of the insurgent political spirit, the evidence seems to indicate the revival of Hinduism with its traditional forms and values. The voice of the orthodox defends, as usual, the existence of all the social inequalities of human life as the consequence of the law of *Karma*,<sup>1</sup> and looks upon the attitude of the social reformers with suspicion. So deep-rooted is the evil of untouchability that obtains sanction of custom, that only a social revolution can break its chains, and it is this ultimate upheaval of the masses Gandhi wants to avoid.

The truth is his Hindu supporters of the campaign against untouchability are inspired more by the "fast unto death" drama than by the desire of removing the curse from the life of the community; his friends in the political arena welcome the agitation as a means of gaining some constitutional advantage; the leaders of the depressed classes take the opportunity of stiffening their attitude towards the caste Hindus and of wresting some concessions from them; and finally, the Congress workers, their occupation of fomenting civil disobedience gone, find something to do to keep the pot of agitation boiling. Only a minority of social workers from all communities—Hindu, Moslem, Christian, and Jain—look upon Gandhi's campaign as an effective means of stirring India's conscience.

<sup>1</sup> The law of *Karma* (deeds) is, in essence, the conception embodied in the maxim, "Whatsoever a man soweth that shall he also reap."

But it cannot be denied that conscience is roused. Throughout India there is strong evidence of the spirit of social reform, and a stronger realisation of the injustice done to the depressed classes. "The polluting power"<sup>1</sup> said a progressive Indian ruler, "of a cat is very small, of a dog is greater, but nothing equals the pollution of a *pariah*.<sup>2</sup> The degrading of a man below beasts is the culminating point of this fabric of sanctity."

### 13 *The Future of the Untouchables*

The future of the depressed classes rests largely with themselves. While the leadership of Gandhi, "a mediaeval reactionary," has roused a great deal of enthusiasm in removing indignities heaped upon them, the real and permanent reform must come from the awakening of the group mind. Precisely here the social reformers in India meet with special difficulties. The traditional allegiance of the group mind to the caste principles may be broken only by a thorough overhauling of the disintegrated and fragmented social fabric. Those who aspire to play the role of leaders in national life must have not only the courage of decrying without any compromise what they believe to be inimical to the future of India, but must take deliberate steps towards moulding public opinion and sentiment by all possible means they may devise. The issue here is not essentially political—a fact which is often ignored by those anxious

<sup>1</sup> *Living India*, by Zimand Savel (quotation).

<sup>2</sup> *Pariah*, properly *parayan*. The name is derived from the Tamil word *para* which means "drum," the *paraiyans* being the class which furnishes the drummers, especially at festivals.

to solve the problems of the depressed classes by their enfranchisement. Political bargaining may, on the other hand, obscure the fundamental needs of the community.

"The regeneration of the Indian people," declares Tagore, "to my mind directly and perhaps solely depends upon the removal of this condition of caste. When I realise the hypnotic hold which this gigantic system of cold-blooded repression has taken on the minds of our people, whose social body it has so completely entwined in its endless coils that the free expression of manhood, even under the direst necessity, has become almost an impossibility, the only remedy that suggests itself to me is to educate them out of their trance."

But this tremendous task of educating the depressed classes requires a determined policy and the will to carry it out. The advances in this direction made in some of the Indian States show what could be done if the authorities do not remain obsessed with their policy of religious neutrality. The State of Baroda has a higher percentage of educated untouchables than the educated percentage of the total population of the entire country.

Sir Manubhai Mehta, who has had association with that State for about thirty years, said at a public meeting in London:

"I can tell you that long before this question had been given any practical importance in British India, it was a live question in Baroda. His Highness passed laws that nobody could refuse to allow these depressed classes to drink from public wells, and if any village refused to allow them to take drinking water from any well, all the contributions from the Government to that community

were stopped. Similarly as to admission into schools. The depressed classes were anxious to learn. We passed a compulsory Education/Act, and they were, under the same obligation to learn as the higher classes. When they came to the schools nobody could bar the way. If any school refused admission its grant was stopped. So the higher-class Hindus could see that they could not go against the wishes of the ruler.

"If these depressed classes had to give evidence in the Courts, they had full access, and nobody could object to their coming. They were employed as officers, as clerks, and ultimately they were elected to the Legislative Assembly of Baroda. All this could be done by the ruler of an Indian State only if he was so minded—and there comes the rub."<sup>1</sup>

An achievement, such as that recorded above, is due to determined leadership, and in the task of raising the unregenerate classes to the social level of the high-caste Hindu, the Indian States must now take the lead. Here the policy of non interference in religio-social customs does not impede the path of social progress. The hope that the problems of the untouchables will be solved by India when she has determined leadership will be strengthened by the success achieved in some Indian States. The first and most important way of assisting the depressed classes is to educate them.

Secondly, there must be an organised effort to improve their economic condition. Gandhi may "fast unto death" for his work of the "purification of Hinduism," but no real

<sup>1</sup> At a Meeting of the East India Association, Caxton Hall, November 4, 1932

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improvement in raising the social status of the depressed classes would be possible so long as their economic life remains as it is to-day.

A possible line of action for improving their conditions may be indicated here. There must be a definite plan for settling the depressed classes on cultivable land available for the purpose, and a survey for working out details should be undertaken by the Provincial Government. As an experimental measure, the smallholdings need only be leased out on a temporary basis in the first instance, but the eventual aim of the colonisation scheme should be to create peasant-proprietors from the depressed classes. Throughout India, wherever the backward people have settled down to agricultural and pastoral life, the administrative difficulties in regard to the control of the primitive tribes have been greatly minimised. Since their adoption of settled agriculture, the *Bhils*, the chief of a group of tribes in the neighbourhood of the Vindhya Hills, are contented and happy. There are other examples of successful tribal settlements from which we may obtain necessary guidance for an organised plan for colonisation referred to above.

The coöperative department of each province will have to devise special means for financing the settlers and a special organisation for advice and guidance. Here is a wide scope of work for the educated youth of the depressed classes.

There is also ample scope for absorbing a portion of the depressed class population in small-scale industries. The barriers of hereditary vocations no longer offer insurmountable difficulties; specialisation which was once

economically advantageous is now an impediment to economic elasticity. And I believe that in encouraging the development of small-scale industries for the occupational castes a deliberate attempt should be made to break down the rigid caste divisions. Where small-scale industries are in the hands of the depressed classes (such as the leather industry), the producers are usually at the mercy of the dealers. Here the Government may render great assistance to the untouchables by well-controlled marketing organisations.

Thirdly, the future of these vast communities of depressed classes and of the aborigines can be assured if it be possible to strengthen their caste and tribal organisations and adapt them to the present needs of the community. These organisations still exist, but they need intelligent direction. Their revival would have a far-reaching effect on the communities. The process of consolidation within the depressed classes must begin here. In these indigenous organisations social workers will have found a boundless field of fruitful service, politicians a suitable channel for creating electorates, and economic reformers a proper base for directing their plan of action. Were these organisations present in a dynamic condition, the scheme of indirect election would have been readily acceptable to the Indian Franchise Committee, making the representation of the depressed classes truly representative.

Fourthly, the *real* need of the representation of the depressed classes is in the local bodies. It is to these basic units of self-government, they have to look for the furtherance of their interests. But the communal and

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caste dissensions have seriously affected local bodies, and so long as the antagonism remains between the various sects and sections a predominant feature of village life, it is clear that there is no hope of developing a sense of civic consciousness in voters and their representatives.

Fifthly, a fund for the amelioration of the conditions of the depressed classes should be raised throughout India from the vast endowed resources at the disposal of the temples. The acceptance of such a proposal will be the real test of the sincerity of the caste Hindus in removing the curse of untouchability from their socio-religious life. The administration of the fund should be in the hands of a representative body of caste Hindus and of the depressed classes.

Lastly, the value of popular literature in effecting social reforms is well-recognised in Western countries. It appears to me that there is a great need for popular books depicting the life, labour, and culture of the depressed classes and also for such compilations from the treasures of Indian Epics and sacred literature in which the ideal of racial synthesis and toleration has been emphasised in beautiful anecdotes and sayings. These should be specially collected for the use of Indian primary and secondary schools. Thus, let the next generation of the depressed classes and the caste Hindus establish their common claim to the civilisation and culture of the country of their common birth.

One of such numerous stories that may be collected from the various sources indicated above is quoted here.<sup>1</sup>

<sup>1</sup> The story is narrated in the *Divyavadana*.

Ananda was a disciple of Lord Buddha. Once Ananda met a maiden named Prakriti, born of the lowest of the low castes (*Chandala*), and the following conversation passed between them

Ananda "O, Sister, give me water to drink"

Prakriti "O venerable Ananda, I am the daughter of a *Chandala*"

Ananda "O, Sister, I do not ask you to name your family or your caste. If you have water to spare, please give me, I shall take it."

Prakriti offered the water to Ananda, who drank it

The maiden was impressed by the spirit of tolerance of the monk and fell in love with him. The couple then appeared before Lord Buddha and the maiden said "Lord, I want the venerable Ananda as my husband"

Buddha "Have you been permitted by your parents to marry Ananda?"

Prakriti "I have their permission, O Sugata"

Buddha "Then let them signify their consent in my presence"

The parents having given their assent, Prakriti married Ananda and became an inmate of the *Sangha* (Buddhist Monastery)

Or the following legend from the great Hindu Epics, to show what were the fundamental concepts of caste distinctions during that age

In a conversation<sup>1</sup> between King Yudhishtira and Nahusha, the former declares that "Honesty, Charity, Integrity, Patience, and Good Conduct, Forebearance and Meditation,—it is these that make a Brahman"

Nahusha "What when these qualities are found in the *Sudras*, the lowest caste?"

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<sup>1</sup> *Mahabharata Vanaparva*

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Yudishthira: "A Brahman may sometimes lack the good qualities found in a *Sudra*. A Brahman is not to be known as such merely by his name or from the accident of birth, nor is a *Sudra* by his. Where virtue and righteous conduct is found, there is the Brahman. A *Sudra* is he who is without them."

From the ideology and trend of Indian history, some of our authors should compile popular treatises showing the elements of social cohesion between the various groups within the corporate life of Hindu social structure. They should explain how the Saints, for instance, risen from the rank of the untouchables, came to be worshipped by Brahmin and Sudra alike, in the temple of Srirangam at Trichinopoly (Madras); how some of the temples are customarily thrown open to the untouchables on certain days of the year; and how, from time to time, various Hindu sects under the direction of their leaders sought to eliminate this excrescence of untouchability from the Hindu social life.

It is necessary for us to have a clear perception of the direction of events in regard to this communal problem. While Gandhi's fast succeeded in inspiring enthusiasm for the removal of untouchability from the Hindu social system, the agitation has tended to stiffen the attitude of the various communal groups. Throughout India, Communal Leagues are being formed, and such beginnings may develop into a serious attempt to undermine the newly evoked forces of social reform. Communal consciousness without the recognition of integrating factors will divide us all the more; demands for exclusive claims

and special privileges will dog us at every step, and political conflicts will increasingly complicate the inter-group relationships

But the intensive Congress propaganda has stirred even the "low-caste natives", they are beginning to demand social and economic justice. In some parts of India, the depressed classes and the aborigines have attempted to break the forest laws, and this spirit of defiance may gather force through the imperceptible influence of Communism.

In an article in the *Spectator* for July 11, 1932, the Marquis of Dufferin and Ava, a member of the Indian Franchise Committee, tells of his visits to various villages with the Committee, and of their reception. He says

"We tested out the proposed system of indirect election, by getting about twenty villagers together and asking them to elect a representative. To our surprise a *Dom*, a complete untouchable, was elected. When asked why, an old Brahmin replied sententiously that 'A *Dom* serves all, and is therefore to be honoured.' We learnt subsequently that intensive Congress propaganda had been at work in this district in preparation for our arrival. But the incident is interesting as showing how powerfully propaganda can affect the village life, and how the left-wing of Congress is drifting towards the doctrines of Communism."

The solution is sought in such parliamentary devices as separate electorates, reservations of seats, plural voting, and so on, for a period, the beneficiaries of these "gifts" will toy with them, but common economic grievances and common social injustices will gradually bring "the

lowly and the lost" together on a common platform and form an immensely powerful *bloc* against the privileged upper classes. To-day, the hold they exercise over the depressed classes is based on fear; the depressed classes live in fear of malevolent powers, of priests, of the high castes, of those on whom they depend for a wretched existence, of money-lenders, of the police, and even of those who claim to represent them. But those psychological inhibitions may easily change from an inferiority complex of submissiveness into an antagonistic complex of hate. Neither the dark sorcery of superstition nor the magic of plural voting can keep them satisfied with their lot for any length of time. The feeling of communal separatism, strong as it is to-day, will probably tend to decline under pressure of sheer economic necessity, and be replaced by a league of the "have-nots" against those who have great possessions and will not use them for the communal good of all.

"Their battle is only beginning. These political concessions will be worthless unless they lead to concessions in social, economic, and religious relationships. It is precisely in these relationships that the depressed classes will encounter the strongest resistance to their further advance."<sup>1</sup>

The issue lies with that subtle god of human destiny whom the Germans call the Time-spirit (*Zeitgeist*).

<sup>1</sup> Professor J. Coatman, C.I.E., in a paper read before the East India Association, Caxton Hall, November 4, 1932.

## CHAPTER V

# THE INDIAN MASSES AND THE NEW CONSTITUTIONAL PROPOSALS

### *i. The Indian Masses*

In the foregoing chapters the conditions of the life and labour of the Indian masses have been described. The facts stated therein are all too familiar to Indian administrators and politicians, but, at this juncture, when the Government propose to inaugurate a novel form of constitution for India, it is well that the case of the Indian masses should be restated.

In order to obtain a clear perspective of the actions and reactions of the proposed Indian constitutional changes, it is necessary to project the realities of the conditions of the Indian masses on the background of the present world situation. Indeed, that has been the task of the Government ever since the appointment of the Indian Statutory Commission in 1928, but the procedure has taken a long time. The conferences, the committees, and consultations are being carried on without any abatement of enthusiasm, to reach a solution of the Indian constitutional problem which "might carry the willing assent of political India."

But at every attempt to gain that assent, unforeseen forces array themselves against each other. Time and again the problem of India's constitutional advance seemed almost insoluble—in the presence of communal

rivalry, political friction, divergent interests, and civil disobedience, the discussions at the Round Table or outside its influence seem to have not only failed in attaining a clear perspective, but to be clouded with political passions and deep-seated prejudices. The basic principles underlying India's future constitution were formulated by the Indian Statutory Commission, to which there was no violent opposition from the politically minded minorities—the trouble arose from the attempt to adjust these principles to the realities of the conditions obtaining in India. "It seems to be an inexorable decree of fate," laments an author,<sup>1</sup> "that any attempt to shift the burden and responsibility of government in India on to Indian shoulders increases divisions and disunity among the people of India themselves." A candid diagnosis of this lack of understanding of political values that might develop a common-sense of nationality leads to the conclusion that our political parties are a heterogeneous jumble of contradictory policies.

A mass of incongruous and opportunist elements attach themselves to each of the several groups, thwarting the possible development of creative unity among them. And all this at a time when the country awaits, not a novel constitution, but a well-directed policy of social and economic regeneration of the masses. We cannot dispute the fact that the development of political State alone is insufficient in a world that is becoming increasingly pre-occupied with economic problems.

In regard to the economic betterment of the masses under the new constitutional proposals, it is argued that,

<sup>1</sup> *Years of Destiny*, by Professor J. Coatman.

through the exercise of their votes, they will be able to obtain such remedial measures as are necessary for themselves. But it is common knowledge that under the conditions in which the masses live it is difficult for them to vote independently, and that the political expedient of enfranchisement is not a solvent of their problems. The representation that the Indian masses, now seething with discontent, are clamouring for a new constitutional device is wholly misleading. "What concerns them," wrote the authors of the Montagu-Chelmsford Report in 1918, "is mainly the rainfall or the irrigation supply from wells or canals, the price of grain and cloth, the payment of rent to the landlord or revenue to the State, the repayment of advances to the village banker, the observance of religious festivals, the education of their sons, the marriage of their daughters, their health and that of their cattle. They visit the local town on bazaar days and the subdivisional or district centre rarely on business or litigation. They are not concerned with district boards or municipal boards, many of them know of no executive power above the district officer, and of parliament or even of the legislative councils they have never heard."

The picture is substantially true to-day. The excitements of elections provide them with a sort of new amusement and entertainment, but do not stir the political passivity of the masses. The reason for their indifference and apathy towards the dispensation of democracy is to be traced not only in their restricted outlook or traditional preoccupations, but in the character of the administration under which they have been enjoying peace and security.

2. *The Character of British Administration in India*

(a) **EARLY PERIOD**

In Lord Beaconsfield's novel, *Popanilla*, one of the characters asks, "What do you call that system of government by which you people a rock in the midst of the sea and surround it with a huge army of clerks and the military?" and the reply was: "We call it the Colonial system."

When, about the year 1600, a group of merchants obtained a Charter from Queen Elizabeth for the purpose of carrying on trade in the East, they did not dream that the task of organising an elaborate system of administration upon the debris of the Moghul Empire would gradually pass to their hands. Up to the middle of the nineteenth century, the East India Company extended and consolidated their position in India and became a dominant power by virtue of their being capable of restoring peace and order in the country.

The Crown assumed the Government of India in 1858 after the Mutiny, and proceeded to repair and strengthen the structure of the administration. The Queen's proclamation laid stress upon the need of pursuing a policy for the material progress of the country, and Sir Charles Wood, the first Secretary of State for India,<sup>1</sup> in inaugurating a number of fundamental reforms in regard to education, public works, and irrigation, was guided

<sup>1</sup> That is to say, the first effective Secretary of State, for the actual first Secretary of State, Lord Stanley, P.C., only held the office for a few months.

by the principles of the enlightened despotism of the eighteenth century

The attitude of all the earlier Viceroys of India towards the people provides a true key to this policy for the material welfare of India. To the Earl of Mayo,<sup>1</sup> the Government of India was not only a Government, but the chief landlord "The duties which, in England, are performed by a good landlord," he said on one occasion, "fall in India, in a great measure, upon the Government" In addressing the Rajput chiefs he said "If we support you in your power, we expect in turn good government. We demand that everywhere throughout the length and breadth of Rajputana, justice and order shall prevail, that every man's property shall be secure, that the traveller shall come and go in safety, that the cultivator shall enjoy the fruits of his labour and the trader the produce of his commerce, that you shall make roads and undertake the construction of those works of irrigation which will improve the condition of the people and swell the revenues of your States, that you shall encourage education, and provide for the relief of the sick"

Lord Mayo's feudal paternalism, as expressed in his message quoted above, was, indeed, the feature of the early administration in India, and the same idea animated successive Viceroys and Secretaries of State for India till the emergence of political issue in its present form at the beginning of the present century

In a speech at the Byculla Club (Bombay), Lord Curzon said "That I have not offered political concessions is because I do not regard it as wisdom or statesmanship

<sup>1</sup> An Irish Viceroy, selected by Disraeli

in the interests of India to do so," and proceeded to assert the principles of benevolent administrative policy in the interests of "the patient, humble, silent millions." But by his own acts he left the country in such a situation as would naturally raise a political issue. It became, then, not a question of political concessions as provided for in the Indian Councils Act of 1892, but of "conquest" of power from the British authority.

The achievements of this period are the result of pursuing an ideal of trusteeship. After the great famine of 1865-66 in Orissa in which a million died, the policy of constructing irrigation works from loan funds was adopted. To-day the area under irrigation by Government works in British India is about 30 million acres, and the total amount invested for the purpose is over £100 millions, yielding a net return of about 5 per cent. During Lord Curzon's administration alone over £30 millions were spent on irrigation which brought over 4 million acres under cultivation. By the time the various works at present in course of construction are in full working order the total area under irrigation by Government works will be increased by another 10 million acres, and allowing for natural expansion of existing works, an additional 10 million acres should be under irrigation in no long time. Thus the achievements of the past should be worthily rivalled by those of the future, given good government and the security which is essential for such development. No other country in the world has anything approaching the Indian area of irrigation; the United States, which possesses the next largest works, having only 20 million acres under irrigation.

India in 1872 possessed a total railway mileage of a little over 5,300, to-day she possesses 42,000 miles, representing a capital investment of about £640 millions sterling. At the moment, owing to the intense trade depression, the railways, after allowing for interest and other charges, including depreciation, are working at a loss, but the total net gain to Government from the railways since their commencement has been over £50 millions and there is every reason to hope that with even a moderate revival of trade and given the continuance of good government and peaceful conditions the railways will again become a profitable investment for the Government.

A Famine Insurance Grant was instituted in 1876 and fed by an annual allocation from general revenues of £1 million. With the introduction of the reforms this annual allocation ceased, and each Provincial Government is required to set aside from its resources a fixed sum every year. The sums thus set aside are devoted in the first instance to the construction of protective irrigation and other works, and, if necessary, to relief measures, any sum left over is utilised in building up a provincial famine insurance fund. The growth of the railways and the development of irrigation constitute, however, the greatest protection against the effects of a widespread drought.

Thus the idea that everything was to be done for the people by the State became deep-rooted in the minds of the masses. To them, the British Government became a *Ma-bap*<sup>1</sup> Government, which earned the popular name

<sup>1</sup> Means "parents", hence paternal government.

of *sarkar*.<sup>1</sup> This confidence in the Government developed in the minds of the masses a conservative background of sanity; they could be swayed only if this bed-rock of confidence was undermined. And if poverty continues to be the dominant feature of the economic picture, and should the Trustees concern themselves more with the political grievances of the articulate few and less with the many economic difficulties of the masses, there will always remain a grave risk of a general break-up of this foundation.

(b) FIRST DECADE OF THE TWENTIETH CENTURY

But the political feelings and aspirations of the educated classes could not be ignored. Following the agitation led against Lord Curzon's scheme for the partition of Bengal, the British Parliament sought to conciliate influential and vocal Indian opinion by a measure of representation on the Councils.

Lord Minto succeeded Lord Curzon, and in his Minute of August 1906 he stated his views as follows:

"We, the Government of India, cannot shut our eyes to present conditions. The political atmosphere is full of change, questions are before us which we cannot afford to ignore and which we must attempt to answer, and to me it would appear to be all-important that the initiative should emanate from us, that the Government of India should not be put in the position of appearing to have its hands forced by agitation in this country or by pressure from Home, that we should be the first to

<sup>1</sup> *Sarkar* = overlord.

recognise surrounding conditions, and to place before His Majesty's Government the opinions which personal experience and a close touch with the everyday life of India entitle us to hold ”

The realisation that the bureaucratic system of government though suitable for securing efficient administration, could not long be maintained, and that it is necessary to associate Indians in the governance of their country characterised the attitude of Simla and Whitehall during this period. The Government of India Act of 1909 was passed to give effect to what is known as the Minto-Morley Reforms. Representation of classes and interests other than of territorial areas was secured by these reforms. The framers of the constitution, moreover, did not envisage it as anything like incipient parliamentary government. In the course of the speech with which Lord Minto opened the new Imperial Legislative Council on January 5, 1910, he declared that representative government as understood in Western countries is totally inapplicable to India and would be uncongenial to her traditions. He was emphatic on the question of maintaining the supremacy of British administration which could in no circumstances be delegated to any kind of representative assembly. The Councils were created to offer opportunities to non-official members for influencing Government policy—but not to create parliamentary forms of government in any sense. For this purpose, the official majority in the Provincial Legislative Councils was abandoned, and the central legislature was reconstructed and enlarged.

## (c) DYARCHY—REFORMS OF 1919

Within four months of the declaration of war, India sent 21 cavalry regiments, 69 infantry battalions, and 204 guns. Her total contribution was 1,302,000 men, 173,000 animals, and 3,692,000 tons of supplies and ordnance stores.

The comradeship of the trenches in the hour of great trial, and the realisation of the value of India's loyalty in the midst of a world rent asunder by war, chaos, and confusion, inspired His Majesty's Government to announce in the House of Commons in 1917 that their policy in regard to India was "the gradual development of self-governing institutions with a view to the progressive realisation of responsible government in India as an integral part of the British Empire." It was a dramatic reversal of their predecessors' ideas in regard to the practicability of establishing a parliamentary system in India. Equally dramatic was the reception given to the announcement by Indian liberal politicians.

But this announcement, for which the Coalition Government were responsible, should not be regarded only as the inevitable response to India's aspirations fostered by educational facilities offered to India by the British Government. The underlying motive was to strengthen the British administration in India by giving it a democratic character; that is to say, British statesmen, anticipating India's reactions to post-War development, adopted a policy of the increasing association of Indians in every branch of the administration, and assured the politically minded class of the intention of establishing gradually responsible government in India.

There was, however, another reason. Those who had, without any bias, observed the working of the Government of India realised that a change was necessary even for the sake of the efficiency of the mechanism itself.

The glaring defects of a system which was still in essentials what it had been ever since the days of Warren Hastings were recognised by some notable British administrators. Even those who hold a "die-hard" attitude regarding British control in India admit that the system should be adapted to the needs of modern times. Here is an extract from an author whose book represents in many respects the "die-hard" conception of British administration in India.

"The Secretariat became rapidly divorced from actuality. A clever young man was taken up to the Olympian heights and passed for the whole of his services from one staff billet to another, never again returning to the inglorious, uncomfortable, unremunerative, yet vital District work. From the Secretariat were chosen the Members of the Council, and it was thus easy and common for a man to spend thirty-five years in India, and rise to supreme control of a great province, and yet know little more of India and the Indians than he would have known had he spent these years in Whitehall. The Simla body, as the supreme directorate and its staff may generically be called, was a small and select band, and, like all such coteries, was engaged in an endless internecine struggle for posts and decorations. As usual in such communities, the petticoat played an important part, and the wearer of the petticoat was not always free from the imputation of irregular influence. In such an atmosphere,

no great policy can be conceived and produced. With difficulty, through the noise of the grinding of axes, can be heard the footfall of the approaching barbarian or the challenge of the sentinel.”<sup>1</sup>

The late Mr. Edwin Montagu<sup>2</sup> describes the Government of India as being “indefensible in its present form.” “The dead hand of the Government of India,” he wrote, “is over everything, blighting it.” Mr. Ramsay MacDonald in his book<sup>3</sup> commented severely on the existence of a soulless administration, and “government by a despatch box occasionally tempered by the loss of a key” was the description of the wags of Simla.

The alien character of the administration was also a subject of severe comment.

“It hangs,” writes Fielding-Hall, “as if suspended from the Viceroy and the Council. It has no roots in the soil of India. It is not indigenous in any way. Its vitality is derived from England, transmitted through the Secretary of State and the Viceroy. The Government of India has no existence apart from England. It is only ‘Indian’ inasmuch as it governs India, and not that it proceeds from India or is composed of Indians. The truth by which it lives is that it is purely English. The whole system of the Government of India down to the last detail is alien, is exotic.”<sup>4</sup>

After wandering in the maze of formidable complications, the unique form of constitution known as

<sup>1</sup> *The Lost Dominion*, by A. E. Carthill.

<sup>2</sup> *An Indian Diary*, by Edwin S. Montagu.

<sup>3</sup> *Government of India*, by J. R. MacDonald.

<sup>4</sup> *The Passing of an Empire*, by Fielding-Hall.

Dyarchy was brought into being by the Government of India Act of 1919

The functions of government are interwoven in a complete fabric. The introduction of a Dyarchy necessitates a change in that administrative design, for Dyarchy is the system of dual government whereby the administrative work of a province is carried out by a dual executive body. The object of Dyarchy was political education, which can only be achieved through a gradual expansion of responsibility.

Within three years of the introduction of reforms, a Committee<sup>1</sup> under the presidency of the late Sir Alexander Muddiman was appointed "to enquire into the difficulties arising from, or defects inherent in, the working of the Government of India Act and the rules thereunder and to investigate the feasibility and desirability of securing remedies for such difficulties or defects consistent with the structure, policy, and purpose of the Act, by action taken under the Act and the rules, or by such amendments of the Act as appear necessary to rectify any administrative imperfections."

The Report was issued in 1925. I believe the adoption of some of its recommendations would have removed certain weaknesses from the working of Dyarchy. The critics and obstructionists of this constitutional expedient failed to realise that by the introduction of an element of corporate responsibility it would have fulfilled its main object, namely, the training of Indians in conducting parliamentary government. Although Dyarchy is based on the theory of the separate responsibility of the Governor-

<sup>1</sup> The Reforms Enquiry Committee, 1925

in-Council for reserved subjects and of the Governor acting with his Ministers for transferred subjects, the entire Government must be concerned as an organic whole, as a unitary system. His Excellency Lord Willingdon, then Governor of Madras, conducted his Government as a unitary Government.

While the writer recognises the transitory feature of Dyarchy, it is his conviction that the experiment has not been given a fair trial and the fullest use has not been made of the opportunities that could have been secured within the restricted sphere of responsibility entrusted to Indian Ministers.

The breakdown of the Dyarchical mechanism was due not only to its inherent weaknesses, but to the deliberate policy of organised obstruction from within the legislative councils pursued by the Indian Home-rule party. It is no doubt the duty of an opposition to oppose, but instead of developing a policy of reasonable opposition to the Government, which, in course of time, might have so influenced policy as to have enabled it virtually to discharge another duty of an opposition, to provide an alternative government, the party became largely dominated by the sterile desire to wreck the constitution.

The same tactics will undoubtedly be repeated by the Congress if and when an opportunity presents itself. With the popularity it has gained, its adherents will have an easy entry into the legislatures, where, by methods of obstruction, they would increase their prestige and propaganda among the people.

Secondly, there was a scarcity of men of mark. The Ministerial personnel of the Provincial Governments

was, at best, composed only of second-class men, of no outstanding merit, for those successful in their own professional life were too proud or too busy to play the game of politics. The Dyarchical form of government which required tact, judgment, and efficiency on the part of the Ministers to work it successfully, produced a series of curious phenomena in the administration of the country, but none has been so pathetic as the dressing-up of mediocrities to play the part of "responsible" men. A clerk in an insurance company finds himself reckoned as a financial authority, an absentee landlord takes charge of a portfolio of subjects that concern the peasantry, a disgruntled and unsuccessful business man becomes an authority on labour, or a clever lawyer on irrigation.

Thirdly, there was the question of finance. The reforms were inaugurated with the hope that each province would have a surplus, and that there would be no necessity for resorting to fresh taxation. Unfortunately, circumstances have belied these anticipations. Indeed, the difficulty arising from serious financial stringency has been one of the main obstacles to the success of the reforms. Under Dyarchy, full ministerial responsibility was not signalised by control of the purse, and consequently it was possible for a Minister to shelter himself behind the plea that he had "no money" for carrying out his schemes for the development of the departments under his charge.

Apart from these difficulties, the fundamental defect of the constitution of 1919 has been the absence of organic relations between the political government and local bodies.

### 3. *Local Self-governing Bodies in British India*

It is, I think, universally accepted that no form of government in a State can truly claim to be representative of the popular will if it does not rest upon a healthy local administration which is in organic touch with the central power constituting that government. The early British administrators realised that a fully developed machinery for local self-government was a necessity for the growth of a representative form of political government.

In all subsequent attempts to lead India towards responsible government, it was fully realised that the first steps to be taken should be in the sphere of developing local self-government. The advocates of democracy in India contend that the democratic ideal in its true sense forms an organic part of such socio-political institutions as the village communities, and that the sense of civic responsibility developed in their administration would make the constitutional changes in the provinces and the centre a success. But the record of local self-government in British India is, on the whole, a record of failure.

Lord Ripon<sup>1</sup> showed a benevolent regard for creating local bodies charged with the responsibility of conducting day-to-day administration as a means of popular and political education, but his advisers could not see that the natural and logical procedure was to revive the village communities by investing them with authority. "These village communities," writes Lord Metcalfe, "seem to last where nothing else lasts. Dynasty after dynasty tumbles

<sup>1</sup> See Resolution of Lord Ripon on local self-government in 1882.

down, revolution succeeds to revolution, but the village community remains the same. The union of the village communities has contributed more than any other cause to the preservation of the peoples of India through all these revolutions and changes which they have suffered, and is in a high degree conducive to their happiness and to the enjoyment of a great portion of freedom and independence."

The form of local self-government as it existed in India was primarily an aggregate of small groups. These had the characteristics of self-governing corporations which regulated the affairs of the village or of a group of villages. If they are cited as examples in regard to both their past record and their value as the future basis of democracy in India, it is necessary to remember the circumstances under which they have flourished. They were *small bodies*, free from external pressure or influence, and their jurisdiction was limited.

The fundamental difference between the form of local self-government as represented by the village communities and that of the present is that the former has an independent growth and the latter is created by the State as autonomous centres within itself by devolution and delimitations of its own functions. The system is largely based on the English model of local self-government, and the principles laid down by the Government of Lord Ripon still form the basis of various Acts that operate in the provinces. These measures are right as far as they go, but they do not go far enough. They have not taken account of the past history of local government in India. The various measures of decentralisation which were

initiated in the last third of the nineteenth century had two fatal defects. They created a number of isolated units of local government. They did not make financial provision adequate to the responsibilities imposed. Recent legislation has done nothing to remove these defects. It is no good linking village government with larger units which have no organic connection with the Provincial Government and no adequate financial resources. This is the way to enlarge a sham, not to build up a vital structure. If local self-government bodies are to flourish in India their relationship with the Provincial Government must be intimate, they must have a financial endowment adequate to their responsibilities, and they must be in touch with one another.

There are various reasons for the failure of local self-government institutions as a suitable field for training India in the management of public affairs. In the first place, the structure of the constitution, hedged in with various restrictions on the powers conferred upon the local bodies, has largely deprived them of vital relations with the social life of the community. While, at the initial stage, official guidance and control were necessary, even desirable, the Joint Parliamentary Committee, which preceded the Act of 1919, admitted that official guidance had been prolonged up to a point at which it has impeded the growth of initiative and responsibility.

Secondly, when in consonance with the formula laid down in the Montagu-Chelmsford Report that there should be the largest possible freedom for local bodies from outside control, their administration was handed over to "non-officials," these men have been concerned more

with exercising their newly acquired powers than with using the opportunity of developing local self-government. On the contrary, they have become the chief agents in the demoralisation and perversion of the public spirit of the people. Within these undeveloped institutions there has grown up, in recent years, a very marked anti-social outlook. Communal friction and party factions have already affected the structure of local self-governing bodies to such an extent that Provincial Governments have found it necessary, in some instances, to resume their control over local self-governing authorities.

The third reason for the present unsatisfactory state of local bodies is the deterioration of local services. In relaxing their control over local bodies, the Provincial Governments failed to set up checks of a kind which have come to be imposed on local self-government in England.

"The history of local self-government in Great Britain during the nineteenth century might be described from one angle as the steady invasion by the Central Government of a sphere formerly left entirely to local authorities. No picture of British local self-government could be more false than that which depicts the local authorities as enjoying the largest possible independence of outside control."<sup>1</sup>

The best school of democracy and the best guarantee of its success is the practice of local self-government, but, so far, we in India have not succeeded in developing electorates for local bodies. Here lies the Jacob's Ladder that will lead up to the goal at which our politicians

<sup>1</sup> Report of the Indian Statutory Commission, vol. I.

aim. Without the strong and stable foundation of local self-government, any attempt to establish a truly representative form of government in the provinces and in the Centre is bound to end in disastrous failure. And yet the suggestion that the village communities should be developed as local autonomous bodies forming the base of the Indian political structure inspires no enthusiasm among the framers of a future constitution for India. The Indian politicians find in such a process of development a tardy realisation of their goal, and the British administrators view with regret the results of official schemes for rehabilitating village self-government in the past. Recently Lord Irwin referred to the Indian *panchayat*<sup>1</sup> system as:

“All that has survived of the rich promise of the first Aryan political genius, the arrested germs, as it were, of parliaments which might have been, and now the object of scientific study, much as atrophied organs in the human body, which once were vital parts in the structure of ancestors very different from ourselves to-day, engage the attention of physiologists.”<sup>2</sup>

We should, however, remember that this atrophy of vital village life is one of the results of historic circumstances that contrived to place India for long outside the arena of “creative history.” To-day, we are beginning to realise the need for autonomous village bodies, and in the task of their revival lies the real test of constructive statesmanship.

But the demands for self-government in the provinces

<sup>1</sup> *Panchayat*—Village Council.

<sup>2</sup> *Political India*. Edited by Sir John Cumming.

and in the Centre became insistent "Constitutional advance and reform on a provincial or national scale," observed a well-known social worker of India, "still loom large in the public mind dangerously beyond their true proportions in view of the real importance of local self-government, whereon the very foundations of democracy have to be built in solidity and in detail"<sup>1</sup> By 1927 the British Government came to the conclusion that India was seething with discontent, and that the time had come for the extension of the degree of responsible government granted by the Act of 1919

#### 4 *The Pathology of Indian Unrest*

Under the leadership of Gandhi, the present unrest in India began with a small band of pseudo-religious youth. The unique system of government known as "Dyarchy" had just been launched in circumstances of exceptional difficulty. In view of the existence of a terrorist movement in certain parts of India, it became necessary to pass legislation known as the Rowlatt Act. This legislation called forth an outburst of protest from the politically minded public, and the agitation led to rioting at several cities and culminated in a tragic and regrettable incident at Amritsar (Punjab). The military fired upon an unarmed crowd of ten thousand men, women, and children met in a park known as the Jallianwala Bagh<sup>2</sup> without giving

<sup>1</sup> *British Connection with India*, by K. T. Paul, 1927

<sup>2</sup> The incident has a parallel in the history of England. Over a hundred years ago (1819) the "Peterloo Massacre" took place at Manchester

adequate notice to allow for the dispersal of the crowd. This and subsequent incidents showed that something like a panic had seized the provincial authorities.

Relying on his experience in South Africa, Gandhi advised the National leaders to organise a nation-wide campaign of non-coöperation, and came forward to lead the movement. With a view to intensifying the campaign, and to gaining the support of the Moslem population, the Treaty of Sèvres was included in the items of grievances against the British Government.

A special session of the Congress held in Calcutta in September 1920 accepted the leadership of Gandhi and adopted his programme. Its object, as then announced, was threefold: redress of the alleged wrongs done to the Moslems in the Treaty of Sèvres; the punishment of the agencies responsible for the Jallianwala Bagh Massacre; and the attainment of *Swaraj* as the only effectual means of preventing a repetition of similar wrongs. The programme included:

(a) Surrender of titles and honorary offices and resignation from nominated seats in local bodies.

(b) Refusal to attend Government levees, durbars, and other official and semi-official functions held by Government officials or in their honour.

(c) Gradual withdrawal from schools and colleges owned, aided, or controlled by Government and, in place of such schools and colleges, the establishment of national schools and colleges in the various provinces.

(d) Gradual boycott of British courts by lawyers and litigants and the establishment of private arbitration courts by their aid for the settlement of private disputes.

(e) Refusal on the part of the military, clerical, and labouring classes to offer themselves as recruits for service in Mesopotamia

(f) Withdrawal by candidates of their candidature for election to the Reformed Councils, and refusal on the part of the voters to vote for any candidate who may, despite the advice of Congress, offer himself for election

(g) The boycott of foreign goods

With the exception of the last item, the programme proved to be a failure. The lawyers who went on strike returned to an extended practice with the glory of national heroes, the deluded students resumed their studies in the Government Schools and Colleges, and not more than twenty title-holders surrendered their titles. If the success of the boycott of British merchandise was at the initial stage phenomenal, it was due to the magic of Gandhi's personality and not to any deep conviction on the part of the merchants and the majority of their customers. The Indian mill-owners, of course, welcomed the spread of a movement which might make it possible for them to increase the prices of their commodity.

The real success of the movement was psychological. It inspired a sort of vague feeling among the masses that the *sarkar* (the British Government) was hostile to the real interests of the people and that they should now follow the Mahatma<sup>1</sup> Gandhi as an incarnation of God who came to rescue them from the domination of an alien government.

<sup>1</sup> Mahatma = Great Soul

The secret of Gandhi's popularity with the Indian masses lies in his religious appeal. He declared time after time that his mission was to "spiritualise politics" and that India was to attain freedom by her readiness to suffer and to be humiliated. With this end in view he exhorted his followers to rely entirely on God.

"If we can but throw ourselves," he writes,<sup>1</sup> "into His lap as our only help, we shall come out scathless through every ordeal that the Government may subject us to. If nothing happens without His permitting, where is the difficulty in believing that He is trying us even through this Government? I would take our complaints to Him and be angry with Him for so cruelly trying us. And He will soothe us and forgive us if we will but trust in Him!"

Gandhi's direction of the movement emphasised the significance of such practices as fasting, penance, and other forms of self-immolation, and glorified them as being the most virtuous acts for the sake of India's freedom. The young men and women enlisted in their thousands in this movement for ending or mending the "satanic" British Government by a process of their self-purification through suffering.

Once the writer asked a faithful follower of Gandhi whether the non-violent, non-coöperation movement might be considered as a political expedient. He resented the suggestion, and remarked that the movement is an intellectual process towards self-purification through voluntary suffering.

The importance of masochism as a revolutionary

<sup>1</sup> Quoted in *Political Philosophy of Gandhi*, by M. Ruthnamswamy, M.L.C., 1922.

motive is recognised by psychologists The appeal to the Indian youth of Gandhi's gospel of vicarious suffering may perhaps be explained by psychiatrists However that may be, while the Western mind is inclined to regard Gandhi's repeated self-imposed fasts and those of his followers as out of place in the world of practical politics, whatever may be their merit in the world of the spirit, in India these acts have a very definite, if pathological, reaction on politics So the significant fact behind the perverted pathological phenomena of Indian unrest remains a vast majority of Indian youth who cannot find even a limited scope for the natural expression of their spirit of service have been drawn to this programme of voluntary suffering

Gandhi's programme evoked for a time a stern intransigent spirit, but the tension of keeping it disciplined within the bounds of non-violent ethical ideals proved to be too severe The riots which broke out in various parts of India showed Gandhi the magnitude of his "Himalayan blunder," and the Government offered him the solitude of a prison cell to ponder over the consequences of his movement

The civil disobedience campaign is the offspring of its predecessor—the non-cooperation movement, otherwise barren of definite results The last stage of the movement, declared this popular Isaiah, would be the refusal to pay taxes, and the campaign was inaugurated by his "Salt March" in defiance of the salt tax The object was to create circumstances of conflict with the authorities, and the choice of salt and the method of announcing his campaign of civil disobedience were

considered a most effective device for rousing the masses and embarrassing the Government.

To a critical and dispassionate observer, the entire development of Indian unrest appears to be so inherently weak that no Government need have any fear from its onslaughts. In the first place, the technique of mass appeal, applied ever since 1905, has proved to be utterly inadequate to rouse and sustain an *organised* revolt, notwithstanding the liberal use of the Hindu Pantheon and of numerous superstitions in order to fire the popular imagination. During the agitation, followed by the notorious administrative blunder of Lord Curzon in partitioning Bengal, the boycott of British goods was one of the main weapons forged to frighten the British mercantile community. Sir Surendranath Banerjee,<sup>1</sup> a prominent leader of that movement, speaking at a *swadeshi*<sup>2</sup> meeting in the courtyard of a village temple, describes his performance as follows:

"As I spoke and had my eyes fixed upon the Temple and the image, and my mind was full of the associations of the place, in a moment of sudden impulse I appealed to the audience to stand up and to take a solemn vow in the presence of the god of their worship. I administered the vow and the whole audience, standing, repeated the words after me. . . . 'Invoking God Almighty to be our Witness, and standing in the presence of after-generations, we take this solemn vow that so far as practicable, we shall use home-made articles and abstain from the use of foreign articles. So help us God.' " But these dramatic

<sup>1</sup> He became a Minister of local self-government in Bengal under the reforms.

<sup>2</sup> Literally, National.

## *India What Now?*

performances throughout the country failed to awaken a spirit of revolt among the masses

Secondly, a diligent search through Gandhi's writings and speeches does not reveal a scheme of government that might be substituted for the present "satanic" British administration. Nor does he even guide his followers in formulating a political creed based on a philosophical concept of the State. Is it to be a form of government evolving from a social contract as expounded by Rousseau, or is it to be a deliberate attempt to construct a mechanism in which the needs of multiple and diverse communities are to be adjusted in the interests of the whole of India? The National Congress "boycotted" the Indian Statutory Commission, but subsequently produced a document giving an outline of the kind of constitution which, in the opinion of the Congress Committee, would be suitable for India. To a critical mind, the constitution proposed in the Report<sup>1</sup> appears to be too optimistic as regards solving the difficulties that stand in the way of introducing a parliamentary form of government in India. The authors of the Report took shelter under certain popular cant and shibboleths, and lost no opportunity in reciting the virtue of some obscure magic of democracy.

The Congress workers, like their equivalents in other countries, are adepts in using appropriate words to mystify the millions. But the masses in India are not easily swayed by mere *negative* propaganda. Six weeks after the failure of the Congress to come to any agreement upon the Nehru Report, Gandhi staged his Salt March to the sea.

<sup>1</sup> Known as the Nehru Report

. A reference should be made to the so-called revolutionary movement in India. It originated during the agitation of 1905-7, but was rigorously suppressed by the "iron hand." The dying embers of the movement were revived by certain forces of post-War development; but as a movement, I believe, it is of no serious permanent importance. It is of exotic growth, without any support whatever from the masses. Its recruits come from our middle classes who, after the completion of a course of studies in the university, find themselves in the ranks of the unemployed. For a post carrying a monthly salary of £2 10s. in a Government or in a British commercial firm, there are often more than five hundred applications—and these from the young men who are supposed to hold "anti-British" feelings! These young men find, in the midst of a depressing social environment, a source of stimulant in airing doctrinaire views of revolution. The revolt of youth in India is more against the disintegrated social system than against the State, and is not associated with a constructive political programme. The pseudo-religious character of the revolutionary movement, the morbid and neurotic elements that largely compose it, should be of interest to students of abnormal psychology.

The following description of his initiation into a revolutionary association, given by one of the recruits in Bengal, in 1914, will illustrate the extent to which the worship of the Hindu Goddess, Kali,<sup>1</sup> is incorporated in the revolutionary cult:

"On Kali Puja day of that year I was summoned from my home by Purna, and under his instructions myself and

<sup>1</sup> The Destroyer of Evil.

the following men did fast for the whole day After nightfall Purna took all four of us to the cremation ground There Purna had arranged for the image of Kali and at the feet of the image he had placed two revolvers We were all of us made to touch the image and to take a vow to remain faithful to the *Samiti*<sup>1</sup> On this occasion we received our *Samiti* names "

The basic idea of Indian unrest is to coerce England into granting India full Dominion status, but there is a wide divergence as to the methods for putting pressure on the British Government Gandhi's non-violent non-cooperation, or civil disobedience, the cry of the extremist party in the Congress for complete independence, and the sporadic terrorism of the revolutionary groups—all are deluded into believing that only by threats will they succeed in attaining *Swaraj* An amusing illustration of threats of what would happen if the Imperial Parliament ultimately refused to conciliate the Congress was furnished by the late Mr Sen Gupta, a mayor of Calcutta, in a speech at Mangalore He said "Within twenty-four hours, every department of the Government would be paralysed, trains would not run, ships would not be loaded, law courts would be empty, and policemen would not lift their hands against the people That's the situation Mr MacDonald would have to face" When such outbursts characterise the utterances of those who pretend to occupy the rank of leadership, one may despair of any legitimate success of a complicated constitutional device, for no modern State can be managed by demagogues But even the liberals, completely de-

<sup>1</sup> *Samiti* = organisation

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throned as they are from Indian political life, tacitly support these agitations in the hope of striking a bargain with the Government. Some of the prominent Indian liberals joined the boycott movement against the Indian Statutory Commission, and in order to conciliate them the Government proposed the device of the Round Table Conference.

### *5. An All-India Federation*

True federation must grow out of a living unity, and therefore any attempt to bring it into existence by a "deliberate" policy reduces it to a mere political robot, put together with a marvel of intricate safeguards and other precious devices. If it is agreed that the living spirit may yet breathe life into its nostrils, the fear of creating a Frankenstein monster should still haunt the creators of the Indian Federation.

The idea of federation came within the realm of practical politics, as it were, by a wave of Prospero's wand! The gesture from a number of pseudo-autonomous States to form themselves into federating units dramatically altered the stages of constitutional development as visualised by the Indian Statutory Commission.

But in the process of what Lord Irwin described as "progressive generous constitution-building" the architects discovered that the "unities" required for the edifice were not readily available. What is more, there is a great risk of bringing into play the disintegrating forces inherent in "provincial patriotism" which has, indeed, been a source of weakness in Indian history. The Indian poli-

ticians who acclaimed All-India Federation to be the ideal form of government in India were bewildered with the complexities and controversies that arose in the course of the game of political bargaining. Having failed to be united in their proposals and plans, the undignified spectacle of their nagging, like a peevish child, at the Government became a feature of the conferences and committees.

There is a well-known story of a certain Viceroy who, confronted by a portentous file containing opinions, cross-opinions, arguments, comments, recommendations and, in many cases, recriminations, closed the whole affair with two words "Drop it." One wonders why these words have not as yet been used by those who now find themselves confronted with interminable volumes of divergent views on the future constitution for India.

However, in a statement on June 27, 1932, the Secretary of State for India made it clear that the British Government have decided upon *deliberate*<sup>1</sup> and not haphazard progress in regard to India's future constitution. The plan would be (1) An All-India Federation, (2) Central Responsibility with safeguards, and (3) Provincial Autonomy.

#### (a) FINANCE

The first and primary consideration in regard to the working of the constitution proposed in the White Paper on Indian Reforms is finance. Here we have to reckon not only with the present budgetary deficit but with the fact that even the possibility of increased revenue

<sup>1</sup> The italics are mine.—N. G.

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from land cannot be relied on. There is scarcely an item of income the yield of which would not be lessened by increasing the rate of taxation.

The costly administration of the Government of India, progressively increasing since the reforms, provides less than 2 per cent of the total expenditure for the purpose of the agricultural development of the country. A direct frontal attack is necessary for removing the numerous social deficiencies of the masses, such as illiteracy, ill-health, and mental inertia; and this would require a considerable increase in educational and public health expenditure. So far, the outstanding obstacle to the introduction of compulsory primary education has been the absence of the necessary finance. Those who are concerned with the economic welfare of India are seriously questioning whether it would be desirable to enter upon an expensive political venture at a time when the economic world is driven almost to desperation by the world depression. One may indeed ask whether the economic conditions of India's teeming millions are likely to be improved by setting up such a constitutional mechanism as would add considerably to the ever-increasing cost of all her administrative and legislative services.

A careful scrutiny<sup>1</sup> of the White Paper proposals and of the situation discovered by the "fact-finding" Committee on Indian Federal Finance would show that the Federation will start with an initial deficit of about £4·6 millions. It is proposed to create two new provinces, Sind and Orissa, involving an annual federal subvention

<sup>1</sup> The author is indebted to Mr. V. K. Rao of Gonville and Caius College, Cambridge, for the figures quoted.

of £1 5 millions The surrender of the provincial contributions and the tributes from Indian States and payments to some Indian States as compensation for territory surrendered would add to this burden within ten years The position of the Provincial Governments does not appear cheerful Bengal, for instance, may just balance her budget if she is provided with half the proceeds of the export duty of jute Rather a precarious state of affairs

(b) DEFENCE

The problem of Indian finance is associated with that of Indian defence Sir Walter Layton, in his Report on Indian Finance, embodied in the Report of the Indian Statutory Commission, pointed out that in military expenditure India is seventh on the list among the Great Powers of the world, and that her expenditure on armaments is between two and three times as great as the whole of the rest of the Empire outside Great Britain Sir Walter observes "India has not obtained any relief from the greater sense of world security which has succeeded the World War On the contrary, her defence expenditure has risen even after allowing for the rise in prices, and has grown more rapidly than in other parts of the Empire "

The armament expenditure<sup>1</sup> of the British Empire (in millions of pounds) is given opposite

The defence expenditure per head of population of Great Britain is £2 5s, of Canada £1 8s, of Australia £1, and of British India 14s 10d But while the incidence of

<sup>1</sup> See *Armament Expenditure of the World*, by Jacobson

defence expenditure calculated on the basis of population appears trifling compared with Great Britain, the figures of income per head of population of these two countries should be taken into consideration.

The strength of the Indian Army is about 275,000, and it is argued in some quarters that this could, and should, be considerably reduced in order to bring down the expenditure involved in its maintenance. The solution of the Indian defence problem depends largely, in my opinion, on the development of a sense of security from

TABLE II

	1913	1928	Percentage Increase
Great Britain ..	77	115	49
Dominions ..	9	12	33
India ..	22	44	100

aggression by India's neighbours or some more distant but still Asiatic power. So long as there is no positive indication of that security in Asia, the British Government must maintain a high standard of efficiency of Indian defence. Since that standard of efficiency involves a higher expenditure than the country can afford, I believe Indian defence should be made an integral part of the Imperial Defence System. The entire cost of the maintenance of internal security troops (equivalent to President Hoover's Police Component) should be borne by the Government of India; the rest of the cost should be met from Imperial sources.

There is no hope of financial stability for the Governments, Provincial and Central, if there be no substantial reductions in military expenditure. The Central Government now receives about 13 5 *crores* (£10 millions) from the provinces as income tax, and under provincial autonomy this sum should belong to the provinces. With the military budget at its present figure, the Central Government cannot spare more than 5 out of 13 5 *crores*, the Federal Finance Committee proposed, therefore, that for the present 8 5 *crores* (£6 4 millions) should be withheld from the provinces. The result would be to leave the provinces on a deficit basis.

In the controversies over India's defence problem there is a psychological factor which has to be reckoned with. No honest Indian will deny that India's present ability to defend herself against either internal faction or external aggression by land or sea is small. But equally, no honest Britisher will deny that, up to almost the present day, Government policy has been to discourage the growth of Indian military leadership, and without leadership no rank and file, however martial, however well trained, can fight. The situation, therefore, demands mutual forbearance. Indian political leaders must recognise that British troops cannot be dispensed with for very many years to come, and that their presence in India will entail a larger British element in the direction of policy than they may on other considerations desire to have, but equally, this British element and the Imperial Parliament must recognise that the British Government have, by their discouragement of Indian military leadership in the past, brought about this difficult situation.

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The solution now depends largely on the attitude Parliament will take in the direction of creating an effective Indian military leadership and of their keeping the growth of India's military self-sufficiency in line with the growth generally of India's constitutional responsibilities.

"It should be the proud privilege and the proud duty of Great Britain now to initiate us in the mysteries of conducting our own defence."<sup>1</sup>

But the Defence Sub-committee of the Round Table Conference recommend that the Indian legislature should have no voice in determining military policy, nor should it be able to exercise any control over military expenditure. The Sub-committee also jealously guard the power of extending the military training of Indians.

The continued presence of a British element in Indian Army administration may foment legitimate suspicions in the minds of Indian political leaders that this element will take advantage of their inevitable presence to control administration in directions, or to an extent, not favourable to the fulfilment of the ultimate purpose of a system of military control which shall be consistent with the attainment of self-government.

It is agreed that while the presence of the British element in the Army in India is essential, there can be no question of granting her absolute self-government, and it is commonly held that this makes impracticable the conferment of Dominion status. But does this necessarily follow? The expression "Dominion status" to me means no more, and no less, than conferment on a unit in the British Commonwealth of Nations of the

<sup>1</sup> Gandhi's speech at the second Round Table Conference.

greatest possible measure of independence consistent with (a) the security of that unit so that the Empire shall be kept whole, and (b) the equal and free development of the other units composing that whole. That is as much as to say that I am not going to be intimidated by phrases into either withholding from, or granting to, British India powers which at her present stage of evolution she ought, or ought not, in my judgment, to have. And I hope and believe that the political sense of British statesmen will not be intimidated either. The Empire is not machine-made, and there is no need to invent a yardstick which any component part must measure up to before being declared a Dominion.

#### (c) FEDERATION AND FEDERATING UNITS

The third important item in regard to proposals for an All-India Federation is the problem of the relations of the Federal Government with the federating units, and this has given rise to a number of extremely complicated issues. British administrators have long realised that over-centralisation in the government of such a vast country should be avoided, and it is with this object that Dyarchy was established in the provinces as a preparatory stage towards the attainment of provincial autonomy.

But it is to be remembered that in all countries where the principle of decentralisation has been applied there have arisen circumstances which have indicated the necessity of creating coordinating agencies between the constituent parts of the Government. Wherever there

exist dual or multiple authorities in a system of government, it is essential to set up a strong central mechanism in order to attend to each of the separate mainsprings which a Dyarchical or federal constitution may give rise to. The existence of a unifying element is certainly one of the characteristic tendencies in the federal form of constitution.

While there is agreement as regards the desirability of transferring the "reserved subjects" generally to popular control, there is controversy about the desirability of transferring law and order. The maintenance of law and order is an essential function of any stable system of government, and it is only natural that there should be hesitation in transferring law and order to popular control. But it would be wrong to assume that its transference would result in catastrophe. The bulk of the people are peace-loving and passively accept the existing system of administration. For instance, Bengal has a population of 46 millions according to the census of 1921, and an area of 78,000 square miles, yet the total number of policemen is only some 25,000. Of these over 2,000 are employed for port and railway purposes, and for policing Calcutta. There are about 40,000 village watchmen. Law and order ought to be transferred. The real problem is not so much in whose hands the administration of law and order will be placed, but how best to popularise that administration. While centralisation of police administration has greatly increased its efficiency, its character still bears the marks of the Moghul tradition. The Indian police has not begun to think of itself as the people's servant, and the masses have in consequence a suppressed antagonism towards

the agents of law and order To give one small personal instance not finding a suitable place elsewhere, I had once obtained permission to use a spare room of a village police station for the purpose of holding a rural welfare meeting, but I could not persuade the villagers to come to the *thana* (police station)!

As federating units we cannot ignore the Indian States, but it is clear that difficulties which the writer personally regards as wellnigh insuperable arise in the way of securing for the States in the immediate future their due place in a federal constitution designed to establish democracy in India For the present, it would be a wise step to avoid the complications which seem bound to ensue from the entry of the States into the Indian legislature The initial step towards that ultimate goal should be to invest the Chamber of Princes, which is now an advisory and consultative body, with legislative powers In the meantime, their relations with British India should be established in work for the general welfare of the country The Chamber of Princes, by force of common interests in the agricultural, economical, and social spheres, would be drawn into ever-closer relations with such activities of British India

## 6 *This Lure of Democracy*

In the interpretation of the phrase "responsible government," the Indian politicians discover a definite pledge for the establishment of a democratic government in India Doubts are not infrequently expressed in regard to the success of grafting democratic constitutions of the

British model upon the peculiar social structure of that vast sub-continent. The late Mr. C. R. Das<sup>1</sup> expressed the opinion that a highly centralised form of parliamentary government was not suitable to India, and that the ideal of democracy should be realised in the organisation of autonomous village councils. "The Indian peoples," has said His Highness the Aga Khan, "with an instinctive sense of their need, have asked for self-government within the Empire, not for Parliamentary institutions on the British model."

"To the Englishman, democratic government means one thing and one thing only—government on the English model, the fundamental feature of which is an Executive *responsible* to a popular Assembly, the members of which are, in their turn, *responsible* to an *electorate*."<sup>2</sup>

But this form of government best known to Western communities has to be created in a country the entire social structure of which is radically different from that of Western countries. The basis of Indian society is status, not contract.

In devising a workable scheme, however, it became necessary to establish a quasi-parliamentary body and a system of dual administration, the main features of which have been explained at the beginning of this chapter.

It is asserted that the implication of the cry for *Swaraj* is that the Indian masses demand a democratic form of government. The political ideal embodied in the term

<sup>1</sup> A well-known politician of Bengal.

<sup>2</sup> Lord Zetland, in the *Annals of the American Academy of Political and Social Science*, September 1929.

*Swaraj* has gone through widely divergent interpretations. His Majesty the King used it in a message to His Majesty's Indian subjects, and its official connotation is the agitation of the people for self government.

But what *is* the meaning it conveys to the Indian masses? To the bulk of our peasantry it means proprietorship of a holding or a reduction in land tax, and to those who live in a precarious tract it inspires hope of obtaining irrigation facilities. The Indian labourer conceives in it the possibilities of such conditions as will assure his prosperity, and the untouchables believe that under *Swaraj* their economic and social disabilities will disappear. Once the writer asked a Bengal villager what he meant by *Swaraj*. His prompt reply was that the rate of interest charged for loans would be reduced and that the money-lender would not be permitted to sue his creditors in the court, for under *Swaraj* there shall be no law courts!<sup>1</sup>

On one occasion a band of young men was employed as agents by a candidate for election to the Bengal Legislative Council in a rural constituency. At a meeting, after listening to all the virtues and the noble ideals of the candidate, a villager stood up and remarked "We thought you had come to tell us how we might be protected from the zemindars"<sup>2</sup> agents and the marwaris,<sup>2</sup> and now you ask us to vote. We do not understand how voting is going to help us."

The truth is, the Indian masses do not really understand either the "gospels" of the Congress or the "platforms" of the electioneering campaign. If someone could have

<sup>1</sup> Bengal merchants

<sup>2</sup> Money-lenders

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kept a systematic record of the elections in India since the introduction of the reforms, we would have seen what strange things happen in these campaigns. In one instance a candidate secured a village money-lender as his ally. Almost every voter was indebted to him, and consequently he could sway the poll at his pleasure.

The distribution of the electoral seats in the provinces under the Government of the India Act of 1919 and the voting qualifications of the electors have, in actual practice, considerably helped the propaganda of the extremists. Their political doctrines, unrelated to the life and labour of the people, have had a determining voice in the elections. In an election campaign, day-to-day problems have been ignored and doctrinaire politics have influenced the electors.

But it may be argued that these defects of democracy are not peculiar to India, and that they exist in all countries possessing representative institutions. No doubt that is true; but the introduction of democracy in India has meant special difficulties owing to the unintelligent imposition of non-essentials of democracy from elsewhere. Take, for example, the extension of the franchise. The entire structure of the electoral system is based more on that of England and of other Western countries than on a proper appreciation of the social and economic conditions actually obtaining in India. Those who entertain this view had expected that, as a result of searching and prolonged enquiries by the Indian Statutory Commission, the electoral and constitutional structure would undergo fundamental alterations. But these enquiries failed to pro-

duce draft schemes of a kind which would give scope for the development along sound lines of "the political genius" of the people, and the Statutory Commission based their recommendations on the assumption that democratic institutions in India could be built up on an electoral scheme of a British type

The writer has no desire to embark upon a discussion of the circumstances in India which militate against the working of political institutions based on the British model. A careful scrutiny of the documents relating to the Indian constitutional reforms, produced since 1917, would show the strenuous efforts made to reconcile the irreconcilable elements, and to adjust the Indian principles of democracy to the structure of Western representative institutions. On no single subject has there been so much controversy as on the system of franchise. Yet the final proposals have not only left unsatisfied the various interests, but in framing some of them the basic principles common to all types of democracy the world over have been ignored or compromised.

Here a digression may be permitted for the purpose of referring to the Committee appointed by the Government of Mysore, after the passing of the British Indian Reforms of 1919, to draft a constitution for the State. Its Report was issued in 1923.

Commenting on this document, Lord Zetland writes<sup>1</sup> "The goal at which the Committee aimed was a constitution which, while taking cognisance of present-day tendencies throughout the world, should yet be based upon Indian rather than upon Western theory, and give

<sup>1</sup> *The Heart of Aryavarta.*

expression to Indian rather than to European ideals. The Report is of particular interest, therefore, at a time when we ourselves are engaged in setting up a machinery by which the government of the vast continent which we have shouldered for so long is to be transferred gradually to its many peoples. . . . I do not suggest that a constitution suited to a self-contained Indian Native State, such as Mysore, in which the position and prestige of an hereditary ruler are factors of paramount importance, would be equally suited in all its details to British India. But the scheme is based on principles which are capable of general application. The actual process of law-making; the organs by which that process is to be carried out, and the constitutions of these organs, could be adopted where conditions varied widely from those prevailing in Mysore."

The two distinctive features of the Mysore Constitution Report may be stated here. The first part of the constitutional process is a Representative Assembly in which true representation of the people is sought to be secured on the basis of both territorial and vocational electorates. The Committee argues as follows: "Neighbourhood is no doubt a vital bond . . . and territorial electorates are a necessary basis of representation . . . but the ties of common interests and common functions that bind men into groups and associations independently of the tie of neighbourhood acquire greater and greater importance with the more complex evolution of society. . . . A citizen of a State is a citizen not merely because he resides in a particular locality, but really by virtue of the functions which he exercises and the interest he has at stake in the body politic."

The second feature is that the executive is neither responsible to, nor removable by, the legislature, but only to and by the head of the State. The Ministers who form the executive are the agents of the head of the State. Although the structure appears to be that of absolute monarchy, this is not the case in reality, for the primacy of the people is secured and the unity between them and the head of the State made real and effective by the operation of the Referendum vested in the Representative Assembly.

An electoral system is considered to be the bed-rock of democracy, and it is interesting, therefore, to see how this basis is secured by the proposals for constitutional reform in British India. As regards rural representation, the fundamental defect of the existing constitution was excessive overweightage of urban areas, as shown in the following table.

TABLE 12

Province	Percentage of Urban Vote to Urban Population	Percentage of Rural Vote to Rural Population
Bihar and Orissa	5	1
Bombay	10	2 2
United Provinces	10	3 6
Madras	6	3 2

The Indian Franchise Committee sought to remedy the wide disparity between the proportion of voters in urban and rural areas by the extension of rural franchise. But the Committee found insuperable difficulties in estab-

lishing a parity in the proposed Federal Assembly, and maintained that the "Franchise for the Federal Assembly should be the same as that now in force for the provincial councils, supplemented by an educational qualification for both men and women." Although this supplement may improve the situation, the disparity will still remain.

In extending labour franchise, the Committee has recognised industrial labour as a distinct political factor in India. The number of persons employed in organised industries is estimated at 5 millions, but the total number of workers in all the industries is about 12 millions. In the provincial councils under the Government of India Act of 1919, the workers are represented by nine reserved seats; but the Indian Franchise Committee recommended an expansion of the franchise and proposed thirty-eight Labour seats in the provincial legislatures. Under the final proposals embodied in the White Paper, Labour gains ten seats in the Federal Assembly and nine seats in the provincial legislatures by special electorates.

Or again, take the case of representation of aboriginal tribes. The Central Provinces Census Report<sup>1</sup> contains the following passage: "The bare fact is that the descendants of the original inhabitants of the Province . . . form more than 20 per cent of the population. The majority are, however, distinct in appearance, interest and custom from their more civilised neighbours, and according to the recent Communal Award only a single seat in the Reformed Legislature would be granted to the aborigines of the Province. . . . The contrast between

<sup>1</sup> P. 397.

the treatment given to the depressed classes and to this other great non-vocal community is obvious, and that there is, in certain circumstances, a definite danger of exploitation of the aborigines has been proved in the recent past ”

Whatever may be the form and strength of all these various separate electorates represented in the legislatures, the future groupings of political forces will surely tend to reorganise themselves on an economic basis, and the repercussions of such a process of reorganisation will not be conducive to a stable government. What is more, the electoral system may degenerate into a mere chessboard of various sects, groups and interests, resulting in virulent growth of communal strife and sectional antagonism

### *7 The World Around Us*

The dislocation of the economic life of the world and the breakdown of the democratic system of government are, perhaps, the two distinct features of the world to-day. And the changes that are taking place in the world around us should be considered in connection with the novel constitutional experiment designed for India.

Japan is our powerful neighbour. She has recently been a formidable competitor in textile industry in India. The secret lies in the fact that a planned industrial policy has been pursued ever since the end of the Great War, the leading feature of which is its progressive rationalisation. In most of the important manufactures there has been,

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on the whole, a successful effort to improve organisation and technique, to economise labour, and to reduce costs. The quality and the variety of Japanese goods have also improved at a remarkable rate. "The industrial growth of Great Britain, and even the more deliberately organised States, has been haphazard in comparison with the development of Japan, which has been the result of a policy aimed at making the Japanese Empire an economic unit as completely self-contained and self-supplying as physical limitations would permit."<sup>1</sup>

The industrial supremacy of Japan has inspired her statesmen with a vision which has to be taken into consideration in understanding the situation in Asia. She poses as the policeman and protector of her neighbours. A Mukden correspondent of *The Times*, referring to the propaganda issued by the Manchukuo Foreign Office during the trouble in Manchuria, states that it contains an appeal for "destroying the Imperialism of the white races." A message sent to the Manchurian Foreign Propaganda Chief at Geneva discloses a passionate love for "the brother races in Asia." These sentiments periodically inspire the advocates of Japan's hegemony in Asia, who always come out with a severe criticism of "White Imperialism" in that continent. In 1923 a similar campaign was started in Japan by a distinguished editor, M. Tokutomi, who said: "We coloured people must combine and crush the Albinocracy! We must make the Whites realise that there are others as strong as they."

<sup>1</sup> Quoted from a Report on Economic Conditions in Japan issued by the Department of Overseas Trade (U.K.).

As an example of Japan's desire to be supreme in Asia, I quote a sentence from the well-known Japanese statesman, Count Ojuma. Commenting on the desirability of a Japanese protectorate over India, he said "From old times India has been a land of treasure. Why should not Japan stretch out her hand to that country? The Indians are looking for this! The Japanese ought to go to India, to the South Seas and other parts of the world!"<sup>1</sup> Recently a passionate outburst of a similar nature came from General Araki.

Turning to China, the situation there illustrates what may happen to a country where the condition of the peasantry remains so desperate that any propaganda which promises better living is liable to have a strong appeal to them. The Soviet Government is quick to see that in the economic conditions of the peasantry and of the labouring classes there is an environment in which their gospel may easily spread. And the weak Government at Nanking is now unable to cope with the situation. The Chinese Government now realise that they must pay less attention to high politics and more devotion to an improvement of the economic conditions of the peasantry and labouring classes.

One of our neighbours—Siam—has recently entered into a "period of economic consolidation," and has initiated a deliberate policy for the economic development of her peasantry and wage-earners. One of the first acts of the new Government was to reduce the taxes paid by

<sup>1</sup> Cited by Professor V. A. Yakhontoff, *Russia and the Soviet Union in the Far East* George Allen & Unwin, Ltd., Museum Street, 1932, p. 336

the poorer classes; a vast tract of land has been brought into cultivation by providing irrigation facilities; and the production of rice has considerably increased within a short time, so much so that Siamese rice may successfully compete with the Burma crop. It is interesting to note that the attempt to provide a democratic constitution has not as yet been successful. "What is to be the democratic basis of the Government of a people," writes a Bangkok correspondent of *The Times*,<sup>1</sup> "who are apathetic to all forms of government and might more easily confide their electoral confidence to their social superiors whom they still reverence instead of to the men who risked their personal freedom to win political freedom for them?"

Turning westward, Afghanistan, Persia, Arabia, and other Moslem countries are faced with two main problems —one to combat Soviet influence, and the other to rehabilitate the economic life of the people. The administrators of these countries realise that the most effective means of limiting Soviet influences is to pursue a policy of social and economic development of the people. While Russia may not have any territorial ambitions in Asia, the growth of her industries and the consequent excess production will probably necessitate a feverish effort to penetrate into Asiatic markets.

As regards the European countries with which India has trade relations, it is common knowledge that a vigorous policy for the development of their internal economy is being pursued. Thus India finds herself somewhat unprepared in the midst of a world of economic preparedness.

<sup>1</sup> June 27, 1933.

### 8 *The Next Ten Years*

The main objective to be aimed at during the next ten years is to plan out the path of progress that would make the journey towards the destination less confusing. That "the natural issue of India's constitutional progress is the attainment of Dominion status" is admitted by His Majesty's Government, but "It is," as explained by Lord Irwin,<sup>1</sup> "an assurance of direction. No sensible traveller would feel that a clear definition of his destination was the same thing as the completion of his journey." What is now necessary is to equip the traveller with such requisites as are essential for that arduous journey.

On a consideration of the circumstances briefly stated in this volume, the writer ventures to offer a few suggestions for building up the foundations of Federal India. He realises that they may be dismissed as being wholly inadequate for meeting the aspiration of Indian politicians bent upon accelerating the political process. Nevertheless, the logic of realities cannot easily be dispensed with. The political constitution by itself is not going to achieve a miracle.

(1) In succession to His Excellency Lord Willingdon, His Majesty should be pleased to appoint His Royal Highness the Duke of York as Viceroy and Governor-General of India. In a proclamation announcing the appointment, His Majesty should be pleased to assure his Indian subjects in unequivocal terms of the goal to which the future British policy in regard to India is to be directed. Promises and pledges so far pronounced since

<sup>1</sup> An Address to the Legislative Assembly, January 25, 1930.

1917 have lost their grace, and the spirit of bargaining at the conferences and committees seems to confirm the late Mr. Montagu's remark that "grudging giving has always been the bane of Indian Administration." A Royal Proclamation (like that of the Queen's proclamation after the Mutiny) would, in my opinion, remove misconceptions and misunderstandings; and a Royal Viceroy, "Crown visible in India," would accord well with Indian tradition and help towards the rehabilitation of British prestige in India.

His presence would do more in the direction of harmonising the relations between "British Indian" and "Indian India" than the proposed constitutional procedure. He would achieve in India what the King Emperor and the Prince of Wales accomplish in Great Britain in inspiring and guiding social endeavours; under his influence the tone and character of the future Government of the country is bound to inspire confidence in the people, and thus pave the way to other and far-reaching changes.

(2) The Government of India should enter upon a period of planned social and economic reconstruction of the country. In their Despatch to the Secretary of State for India on the subject of the Report of the Statutory Commission, they admitted that "In recent years there has been an increasing volume of criticism directed to the poverty of India and her economic backwardness. For these features an alien Government is held responsible. There is a widespread belief that the economic disabilities of India could be removed by a National Economic Policy, and an equally widespread suspicion that the

interests of India and Great Britain in this matter do not coincide and that, as long as India's economic policy is controlled by Britain, India will not have a fair chance of developing her resources and raising the general standard of life of her people" Such an attitude of mind, indeed, lies behind Indian political demands and interminable controversies arising therefrom During the post-War period the Government of India had in their possession several reports of the enquiries initiated by them in regard to the problem of economic development of the country The expectations raised by the recommendations in these reports were not fulfilled, and in many instances they were put on one side with the promise of "sympathetic consideration," or with resolutions recording official "regrets" of inability to implement recommendations owing to lack of funds

The writer believes that the execution of a coordinated corporate scheme, drawn up by Government in consultation with the Legislative Assembly at the Centre and the Councils in the provinces, and based on the recommendations of authoritative commissions and committees—such as the Royal Commissions on Indian Agriculture, on Indian Labour, and on Indian Currency, the Central Banking Enquiry Committee, the Education Committee of the Indian Statutory Commission, and many other valuable State documents—will greatly clear the air of the suspicion and distrust that exist to-day And the pursuance of a policy of "economic planning" would assist in undermining the influence of the civil disobedience movement and would isolate the intransigent spirits from the masses

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A slow-moving, cumbrous, parliamentary system is not competent to deal with the technical problems involved in executing a general scheme of economic development such as that proposed here. A strong Central Economic Council should therefore be established by an Act of the legislature for directing the work, and a fund raised by loan should be placed at its disposal for the purpose. The provinces and the principal Indian States should have similar economic bodies for coöperating with the Central Council.

(3) During the period of social and economic reconstruction, the existing constitutional mechanism should be retained at the Centre. A *dynamic* executive power is necessary for the success of any comprehensive plan of action. Nothing should, therefore, be done to reduce the efficiency and the power of the Central Executive. In its composition there should be an increased Indian element, representing recognised interests. The existing Legislative Assembly should continue, but the Council of State should be dissolved. The functions of the Council of State should be relegated to an Indian Privy Council. The work that is now being done on central subjects in the Parliamentary Committee on Indian Constitutional Reforms will not be wasted and should be pursued to its conclusion. In so far as it is concerned with financial and commercial questions, its results can be put to an immediate use (see, for example, under (6) below), while the perfecting of a scheme of responsible government at the Centre of a federal type is essential to convince Indian opinion that the assurance I have proposed in (1) above is entirely genuine.

(4) The provinces should be given a measure of

autonomy with such reservations and safeguards as would be essential for their orderly development. No elaborate changes in their existing constitutional machinery are required for enabling provinces to advance towards autonomy. By provincial autonomy the writer means that there should be no "reserved" subjects such as exist under the system of Dyarchy. The controversy that has been raised over the transference of law and order may find a satisfactory solution by the setting up of a special voluntary association of private citizens to resist revolutionary and other subversive forces. If these forces remain unchecked, the ordinary police methods are bound to fail in any case. Indian politicians must realise that constitutional developments are not possible in an atmosphere created by either violent or non-violent agitation. The organisation suggested here should consist of young men who desire orderly progress for their country. And they should pledge themselves to assist the State in carrying out the primary duties of maintaining peace in the country.

(5) But the true basis on which to build autonomy in the provinces is to be found in the local self-governing bodies. For the next ten years the provinces must concentrate their attention on the creation of such units in rural areas as would bring the masses into more intimate contact with the nation-building activities of the State. Unless these units are developed and function with an efficiency for which, unfortunately, few or none of the existing local self-governing bodies furnish an example, the extension of the franchise would only result in sham democracy. Much will depend on the capacity of the

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district officer and his staff to guide this development with wisdom. A combination of unusual qualities is required: patience in drawing out the innate but latent ability in the masses for self-expression and self-government and vigour in essential action. A high level of efficiency and personal quality in the district official organisation will be demanded. Any deterioration will be fatal to the revival of self-government. But unfortunately the proposed new constitutional arrangements involve a grave risk of such deterioration. The district officer will carry a heavier responsibility than ever for administration when law and order are transferred, and he will have to carry out his work under the orders of Ministers responsible to a legislature which is likely to be critical of him and his works. It will be something of a miracle if, in these circumstances, the district officer gets a free hand in doing what may be needed for his district. Rather one foresees inevitable procrastination on the part of Ministers dependent on the popular vote in formulating policies for constructive work; and timidity, even when these policies are formulated, in giving the district officer the necessary discretion in applying them to the particular circumstances of his district.

Side by side with the creation of healthy village councils, fired with a determination to improve their surroundings and to establish faithful contacts with the public health and other "nation-building" activities of the Provincial Government, and for these purposes to tax themselves to supply the indispensable funds for such a campaign, there is an urgent need for organising the agricultural interests of the country. This work has to be

done by non-official agencies with a view to protecting the interests of the masses. In England, the National Agricultural Union was formed in 1894, "which aimed at the organisation of the various agricultural interests of the country, the creation of an independent Agricultural Party in Parliament, and the securing thereby of a programme of Agricultural Reforms." This organisation has become a powerful factor not only in the economic life of the English peasantry, but also in effecting necessary agrarian reforms. In Ireland, the rural people themselves took up their cause through the Irish Agricultural Organisation Society.

(6) For the purpose of establishing better relations with the British mercantile community, both in India and in Great Britain, there should be a trade convention for the next ten years embodying such safeguards as may be agreed upon in the course of the deliberations on the constitutional proposals. The antagonism between British and Indian trade and commerce should be removed in the interests of all concerned.

The pursuance of a deliberate policy of economic reconstruction of the country will supply the "unities" that are required for the ultimate structure of a Federal Constitution. So far, the Government has been concerned with the revolt of the privileged classes to which their attention was drawn by its dramatic manifestations, but to-day no Government in India can afford to ignore the possibilities of a widespread popular movement for the improvement of the conditions of life of the masses. True, on the surface, there is all the appearance of inertia among the Indian masses, but the spirit of revolt is slowly

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pervading those masses, and may in no long time effect changes in their outlook which will show itself in ways even more dramatic than those exhibited by the privileged classes, and infinitely more difficult to control owing to the momentum of the masses behind those manifestations. True wisdom, therefore, lies in anticipating these movements, and directing their activities into useful channels, or further complications of the Indian problem will ensue which may well prove fatal to the future well-being of India's peoples in both British and "Indian" India. In all that has to be done and whatever may be the ways that circumstances as they arise may indicate as the best, the writer regards it as axiomatic that reparation of all national, social, and economic maladjustments must precede the task of erecting a new political edifice in the federal sphere.

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